



# CITY OF ROANOKE STRATEGIC HOUSING PLAN

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CITY OF ROANOKE  
STRATEGIC HOUSING PLAN

Prepared For The City of Roanoke, Virginia  
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City Council  
C. Nelson Harris, Mayor  
Beverly T. Fitzpatrick, Jr., Vice-Mayor  
M. Rupert Cutler  
Alfred T. Dowe, Jr.  
Sherman P. Lea  
Brian J. Wishneff  
Brenda L. McDaniel

Darlene L. Burcham, City Manager

Housing Strategic Plan Steering Committee

Alfred T. Dowe, Jr.  
Linda F. Wyatt  
Alvin Nash  
Paula Prince  
Joel Richert  
Elizabeth Neu  
Brian Townsend  
Mike Etienne  
Rolanda Russell  
Ben Fink  
John P. Baker  
Andy Kelderhouse  
Laura E. Benjamin  
Kit E. Hale  
Bob Caudle  
Sandra Kelly  
Eddie Wells  
David Diaz  
Gordon Hancock  
Ford Weber

Consulting Services Provided By:

K. W. Poore & Associates, Inc.  
Richmond, Virginia

Development Strategies, Inc.  
St. Louis, Missouri



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# INTRODUCTION

## INTRODUCTION

The end of World War II signaled changes to the development patterns of our cities that continue to the present. The availability of mortgage money fed the demand for new residential construction at the same time that the Interstate Highway System opened new areas to development. The American dream of home ownership moved into high gear and families poured into newly created suburbs where they felt they could find space, safety, and other families that shared the same values. The City of Roanoke has experienced the patterns of change that are observed in most American cities: a movement of residents from the center city to the suburbs creating sprawl; a change in the socio-economic characteristics of the households that make up the “new” core city as new immigrants and low- and moderate-income residents take the place of those moving to the suburbs; and a movement of business away from the city to lower density areas. The Brookings Institute forecasts that this trend will continue for the next 25 years as the nation adds 50% to the current housing and commercial building stock, the majority of these located in suburban settings. The trend that started more than 50 years ago continues today, but with other factors at work—increased home sizes that are double the average size of homes built in 1950; a desire for luxury amenities for daily living that were unavailable until now; and a level of personal wealth that allows households to continue to move to different homes almost at will.

Not all of the housing activity has occurred in the suburbs, however. Many cities have begun to see a renaissance of sorts as certain socio-economic groups have either moved back to the urban setting or moved there for the first time. This has created a stirring of new vitality that is desperately needed if we are to not lose our urban fabric. This “new” city will increasingly serve niche markets—young professionals, the wealthy, empty nesters, new immigrants, and low- and moderate-income residents. The City of Roanoke has begun to experience this change.

The Strategic Housing Plan for the City of Roanoke is based on the use of the City's assets, programs, and agencies to capture a larger share of financially stable households in the metropolitan area. The plan identifies downtown Roanoke as the focus of housing development because of its social and economic vitality. Neighborhoods in close proximity are identified by their amenities, opportunities for enhancements to the housing market and improved linkages to downtown.

Successful programs need to be comprehensive in nature. Improving housing alone will not be sufficient to change the face of the community nor will it sustain long-term change. Investments will be needed in infrastructure, schools, economic development and transportation as well as housing if the City is to be successful in this endeavor.

The City needs to use the powers, authorities, departments, and agencies in a cooperative fashion to develop efficient strategic plans and programs. Plans envisioned in this study do not require the creation of new agencies or departments but rather a better deployment of what is already in place.

This plan provides the basis for the City to address an issue that has been recognized as critical to its future. With dedicated effort, the City of Roanoke will attract more market rate housing and maintain its role in the regional economy.





# HOUSING STRATEGIES

## STRATEGIC INITIATIVES

### WHY A STRATEGIC HOUSING PLAN?

The City of Roanoke has experienced periods of economic and population growth and expansion and periods of decline. The economy has changed as its functions have evolved. The City, once a major center of rail activity, has since moved to a more service oriented economy. Its role in the housing market within the region also has changed. Like many of our urban centers, new housing construction in the metropolitan area has favored the suburbs during the past 20 years. Within the City, large numbers of older single-family homes have been converted to multi-family use. The number of vacant units has grown as older homes fell in disrepair and were demolished. And, the ratio of renter to owner occupied units has shifted more to the renter base, and residential values have not risen as sharply in the City as they have in the surrounding suburbs.



Given these trends, the City of Roanoke has chosen to

- ⌘ Examine the market forces that have been at work
- ⌘ Develop strategies and plans to influence market change
- ⌘ Encourage private investment in urban housing

The City recognizes that it cannot nor should it try to duplicate the suburbs; rather, the City offers a different environment that is unique, unlike the suburbs. The City's housing market can experience a renaissance with careful planning, public/private partnerships, strategic investment, and an improved economy.

### GOAL

The strategic housing plan is designed to help reverse trends the City has experienced over the past two decades—to arrest the decline in housing conditions, to stop the loss of population, and to increase the income levels of the City. Changing housing trends will be accomplished only if housing initiatives and investments are linked as a by-product of economic development activities.

Meeting this goal will require concerted efforts of the many different participants: City Council, City staff, agencies, the Roanoke Redevelopment and Housing Authority (RRHA), boards and commissions, non-profits, realtors, developers, and lenders, as well as the commitment of the community at large to support change. While the City should be a catalyst in any effort to change the housing market, the most important long-term participant must be the private sector. The City does not have sufficient resources to overcome its housing deficiencies without significant participation and investment by the private sector, both from individual property owners, housing entrepreneurs and developers.

Significant portions of the City exhibit dynamic housing activity. These areas are models to be emulated, at least as to function, as the City works to shape the future of the housing market and City neighborhoods. Recognition of the success and attractiveness of these areas is outlined in the comprehensive plan and the neighborhood plans and is the basis for proposed housing development and revitalization activity.

### **WHY MORE URBAN HOUSING?**

There are many reasons to foster more households and housing diversity in the city.

- ⊕ Closer proximity to jobs and employment centers
- ⊕ Reductions in traffic congestion on often-clogged roadways
- ⊕ Urban living contributes to more efficient use of land within the region
- ⊕ City infrastructure in place to serve new housing
- ⊕ New households contributes to housing diversity
- ⊕ Urban housing slows suburban sprawl

There are strong market forces at work across the country that demonstrate that there is a growing preference for urban dwelling styles in centrally located neighborhoods. The convenience of boutique shopping and entertainment, pedestrian oriented centers and activities, proximity to employment, the collection of cultural amenities, and a change from the auto-dependent suburban sprawl are cited as reasons for locating in the city by many new urban dwellers.

These urban dwellers include a cross section of middle-income America: baby boomers whose children are now grown, households that want to “cash in” on home equity; those who are adventurous, seeking new challenges and interest found in the city. There are those who just want to have easier access to the excitement found in a different place. And it includes a significant representation of active seniors who want convenience, diversity, safety, and little or no home maintenance.

Both higher and lower income households are competing for city living, those who are involved in creative endeavors and the service sector wanting proximity to the workplace, and, for better or worse, those who can't afford to live elsewhere.

All of these demographic cohorts can find a place in the City of Roanoke. Indeed, many already have found the City to be inviting; but there is room and demand for more if the supply of various housing types can be attracted.

### **BASIC TENETS**

Certain basic tenets are central to any efforts by the City to change the housing market. Recognition of these tenets is fundamental to success in long-term, sustainable market change.



## **CHANGES IN THE HOUSING MARKET WILL BE SUSTAINED BY ACTIONS OF THE PRIVATE SECTOR**

The City should continue to provide a range of housing programs to address general and specific needs in housing. Activities and programs have included traditional public housing, redevelopment, Section 8 housing, CDBG housing rehabilitation programs, maintenance codes, design guidelines, land use regulation, and various enforcement tools. All of these programs have filled a need. However, true changes in the housing market in any community will only come about when the private sector is engaged. The process involves decisions made by buyers. If buyers are not interested in a neighborhood, then builders will not build. If builders are not convinced that the market is rising, they will not construct higher value homes. If existing homeowners do not believe that they are receiving a return on their home investment, they will look elsewhere. If residents take no pride in their neighborhoods, the neighborhoods will decline.

Changes in perception and desirability as well as physical improvements to neighborhood infrastructure are necessary for the private market to respond. The City's role is one of "priming the pump"—providing a stimulus to change a pattern of stagnation or decline. This effort must be significant, strategic, and sufficient duration to ensure that private investment is ongoing and at a sufficient level to maintain momentum.

## **AFFORDABLE HOUSING MUST BE MAINTAINED**

While this strategic plan is focused on changing the housing market to attract market-rate housing, this is not attainable to any magnitude without maintaining affordable housing and neighborhood stability. Part of the vitality of urban areas is the diversity of population brought about by the many different services, facilities, jobs, housing styles and prices. If the City reduces its efforts in affordable housing activities, all housing will suffer. Higher value housing cannot be developed throughout the City without raising overall housing values. It is also important to the fabric of the City to make sure that adequate, safe, and sanitary housing options exist for working class citizens, including teachers, policemen, fire fighters, and a whole array of labor and service positions. The City can accommodate affordable housing within a variety of designs and may generate private sector affordable housing through mixed use development, sensitive treatment of duplex units, and other programs.

## **QUALITY HOUSING COMES IN MANY FORMS**

Quality is not just related to owner occupied single-family housing. While this type of housing is traditionally thought of as "the American dream", other types of housing can offer similar psychic and economic value for different lifestyles. Alternatives to single-family detached housing are often more desirable to many residents. Roanoke has seen activity in the "alternative" market in the form of low-rise quality condominiums, adaptive reuse apartments in Downtown, and patio homes. The long-term viability of the City's housing market will depend upon a continuation of such diversity and ability to change with market demands.

## **LASTING CHANGE REQUIRES COMPREHENSIVE EFFORTS**

If Roanoke desires housing of higher value, it is absolutely necessary to create employment opportunities that provide income sufficient to pay the rent or mortgage. A housing plan or program by itself cannot accomplish overall economic



improvement. Concepts of self-sufficiency have traditionally been aggressively applied at the lower end of the economic stratum. Public dollars fund training and counseling programs for subsidized housing occupants to strengthen job skills, job seeking skills, general levels of education, and basic financial habits for residents to improve their conditions and move into the free market. There is, however, little comprehensive strategy typically directed at attracting and supporting the cause of middle-income residents. Instead, there is a fragmentation of programs and an assumption that these citizens have the skills and the ability to take care of themselves without public participation. The City must take steps to foster and conserve housing for all types of citizens and to assist all citizens interested in investing in their community. This requires initiatives in a variety of areas, including

- ⌘ Encouraging job training and creation activities that result in higher paying jobs
- ⌘ Promoting micro-enterprise development
- ⌘ Investing in public improvements in all neighborhoods
- ⌘ Developing programs that encourage investment in urban housing
- ⌘ Creation of investment opportunities
- ⌘ Development of urban amenities that appeal to current and potential residents

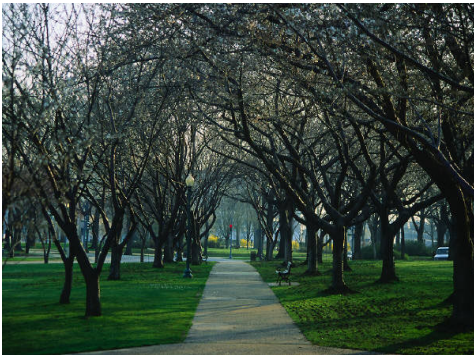
### **LASTING CHANGE WILL TAKE TIME**

Most of the challenges that cities have observed in housing and neighborhoods have developed over a long period of time. Although no developer, public or private, has set out to create poor quality neighborhoods, this has sometimes occurred through poor planning, lack of a comprehensive approach, and the inability of some owners to maintain their property. Decline and deterioration has occurred from neglect and inattention by owners, residents, and insufficient reinvestment. Even public housing was created with lofty goals of improving the quality of life for persons who had limited ability to do so on their own. Improvements in neighborhoods will also take time. As indicated previously, the change will only happen when the private sector begins to support the activity and market forces take over. Any program to change the market will need the City's long term, dedicated commitment. Anything less will almost certainly result in failure, and a subsequent loss of public confidence and the City's financial investment.

### **PLANNING FEATURES**

The City of Roanoke has long acknowledged the need to focus on neighborhoods in order to create and maintain a strong, viable community. Roanoke neighborhoods constitute the very essence of the City, its character, quality of life and the urban lifestyle. Certain planning and design features on the residential scale demonstrate success across the country and in Roanoke in creating vibrant neighborhoods.

- ⌘ A clear center or focal point, perhaps a park, a commercial area, a school, church, or other institutional building, or some other feature that is within one half mile of the homes.





- ⊕ A variety of dwelling types that allow people of different life styles, ages, family composition, and tastes to live in close proximity and to interact with one another.
- ⊕ Bicycle and pedestrian trails throughout neighborhoods interconnecting with adjacent neighborhoods.
- ⊕ Urban building lots that are typically narrower than they are deep. Rear garages accessed by alleyways are again in vogue.
- ⊕ Pedestrian scale commercial centers rather than big-box development, even in new, large shopping centers that try to recreate the traditional downtown or neighborhood feel.
- ⊕ Elementary schools within walking distance that serve as major stabilizers of neighborhoods and provide for neighborhood interaction.
- ⊕ Small playgrounds and parks that are located every 1/10<sup>th</sup> of a mile to provide additional facilities for neighborhood interaction.
- ⊕ Grid street patterns wherever feasible given topography and existing street patterns.
- ⊕ Sidewalks that offer opportunities for neighbors to walk throughout their neighborhoods and link with other neighborhoods.
- ⊕ Narrower, tree-lined streets that add aesthetic appeal and discourage vehicular speeding.
- ⊕ Active neighborhood associations or governance that assist in maintaining the quality of the neighborhood.

Designing these features and functions into new and revitalized neighborhoods will help to create an atmosphere that will foster housing improvement, neighborhood pride and stability, and improved housing values.

## **DEFINING “AFFORDABILITY”**

The assessed value of existing single-family houses in the City of Roanoke shows that 86.9% of all homes are valued under \$150,000. The average sales price of homes in the City in 2003, as reported by the Roanoke Valley Association of Realtors was \$118,906. By comparison, the average selling price of homes in the greater metropolitan area in 2003 was \$163,800. Obviously, housing values across the City must move closer to the metropolitan mean if the City is to experience the same increase in wealth as the suburbs. A new “affordable” housing definition should consider the following:

Housing at a variety of prices that fits the budget of middle-income, upper-middle income, retirees, empty nesters, and young professionals.

Housing that provides a variety of amenities, including larger, single family detached houses for families and those desiring more space; quality multi-family condos, apartments and lofts for those wishing to live in the most densely developed part of the urban setting; townhouses and smaller bungalows for those wishing to be in an intermediate density development.

- ⊕ Housing that is available for sale or rent at market rates that can be paid by middle-income households and above.

- ⊕ Affordability will roughly be determined as not exceeding 35% of adjusted gross income for complete housing cost, including mortgage, and utilities.
- ⊕ Housing that is comparably priced with suburban housing of similar size and amenity
- ⊕ Quality housing that can be expected to maintain its value and appreciate over time at a rate comparable to the region

For purposes of this plan, the Housing Strategic Plan Steering Committee determined that the City should endeavor to increase average values to the level of the region, estimated at \$165,000. This can be accomplished through a variety of programs based upon both public and private investments in neighborhoods, new construction, rehabilitation of existing housing, and the adaptive reuse of certain commercial and industrial properties.

## **ROLES, RESPONSIBILITIES, AUTHORITIES**

Affecting positive change in the housing market will require that the City use all of its organizational and legal authorities. These powers need to be applied in a coordinated fashion to achieve meaningful change in the market.

### **POLICY ROLE**

The City Council, served by its staff, advised by the planning commission, and assisted by the RRHA as appropriate, establishes the policies for the direction of a housing program. These policies must be broad, forward thinking, tying together funding, regulation, and economic development. They also should be politically supportable strategic housing initiatives. Because many of the initiatives will take an extended period of time, City Council should consider the review and endorsement of the housing strategies on a biennial basis. This will ensure a focus on the issues as well as provide reinforcement to the staff in carrying out the various functions.

### **REGULATORY ROLE**

The City's staff, primarily through The Department of Housing and Neighborhood Services, planning, building, property assessment, and inspections is responsible for applying the adopted laws and regulations and ensuring compliance and application of any housing requirements, plans, initiatives, and programs is correct. The staff also has the role of enforcement action when activities are not carried out in the form prescribed by the City. Foremost, the staff needs to work toward a common goal.

### **FUNDING**

The City Council is the only entity that has the authority to raise revenues and appropriate funds for specific public functions or uses. The RRHA has the ability to incur debt for private community development activities, although generally only for specific uses, with an identified revenue source from either private or public funds, and rarely without an

approval from the City Council. These funds cannot be used with the same flexibility as general funds because of the specific usage requirements.

## IMPLEMENTATION

The City Council, by the structure of its charter and general law, positioned to implement public programs. Programs that involve private activity are more problematic for governing bodies due to legal constraints. In instances where there is a need to involve private sector efforts to public/private partnerships, there may be a need to use the powers available to other types of authorities such as the RRHA. The RRHA has been utilized in the past in the exercise of Title 36 powers, as required by law, and could be beneficial in assisting the City in meeting its goals in market rate housing efforts. The RRHA has other capabilities that could be beneficial to the City as the City formulates and assesses specific housing programs and is available and willing to share its knowledge as programs develop.

In addition to implementation by governmental units, private non-profit organizations can frequently supplement development activities through housing construction and rehabilitation and other support roles. However, these non-profit organizations do not traditionally play a large role in activities beyond the realm of serving targeted low- and moderate-income households.

Other implementation tools included Community Development Corporations (CDCs) or specific housing organizations under the IRS 501(c) guidelines that might have a broader charge than the existing non-profit organizations. Housing programs initiated by the City and directed through non-profits or CDCs should have accountability directly to the City Manager to ensure consistency and conformance to City established goals.

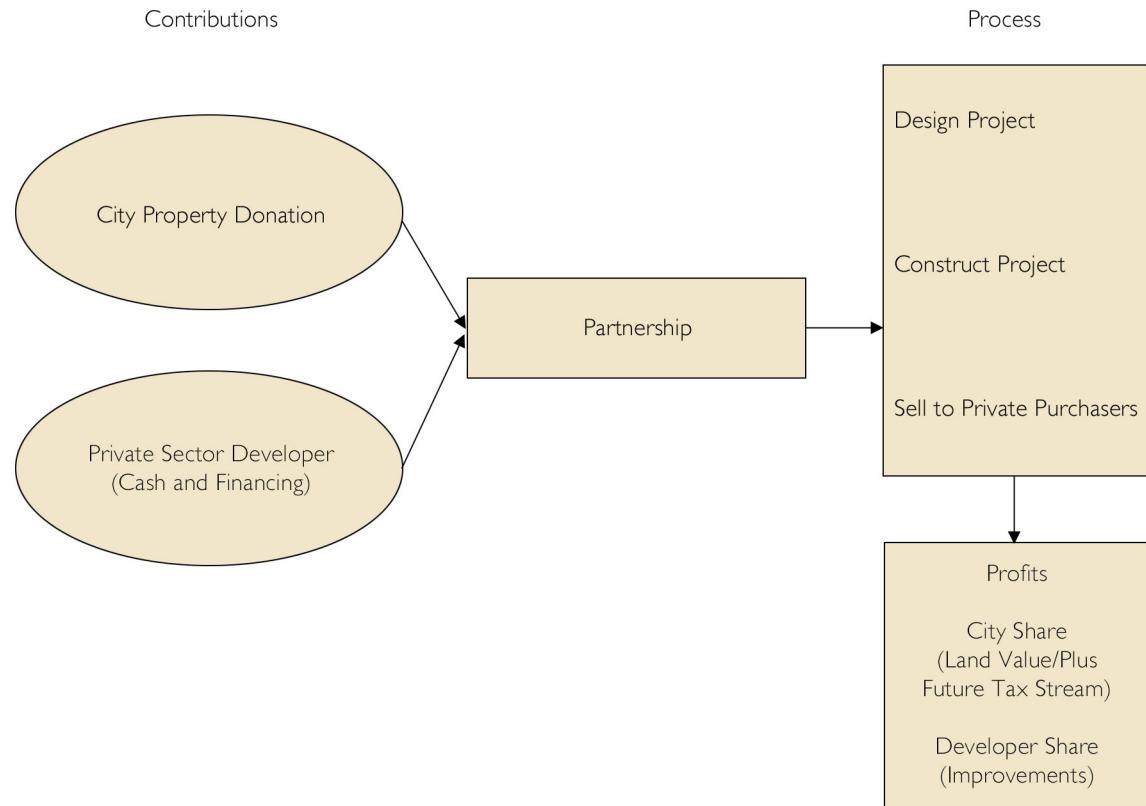
## DEVELOPMENT OF PARTNERSHIPS

The City should foster partnerships that cross the lines of traditional division of responsibilities to create the necessary “tool chest” to successfully undertake a comprehensive housing strategy. The City government, in cooperation with its authorities, the non-profit community, and the private sectors as represented by individual property owners, builders, realtors, developers, and lenders must be part of the program in order to succeed. The City has already established relationships with stakeholders that could be expanded to provide and promote specialized city housing for targeted populations.

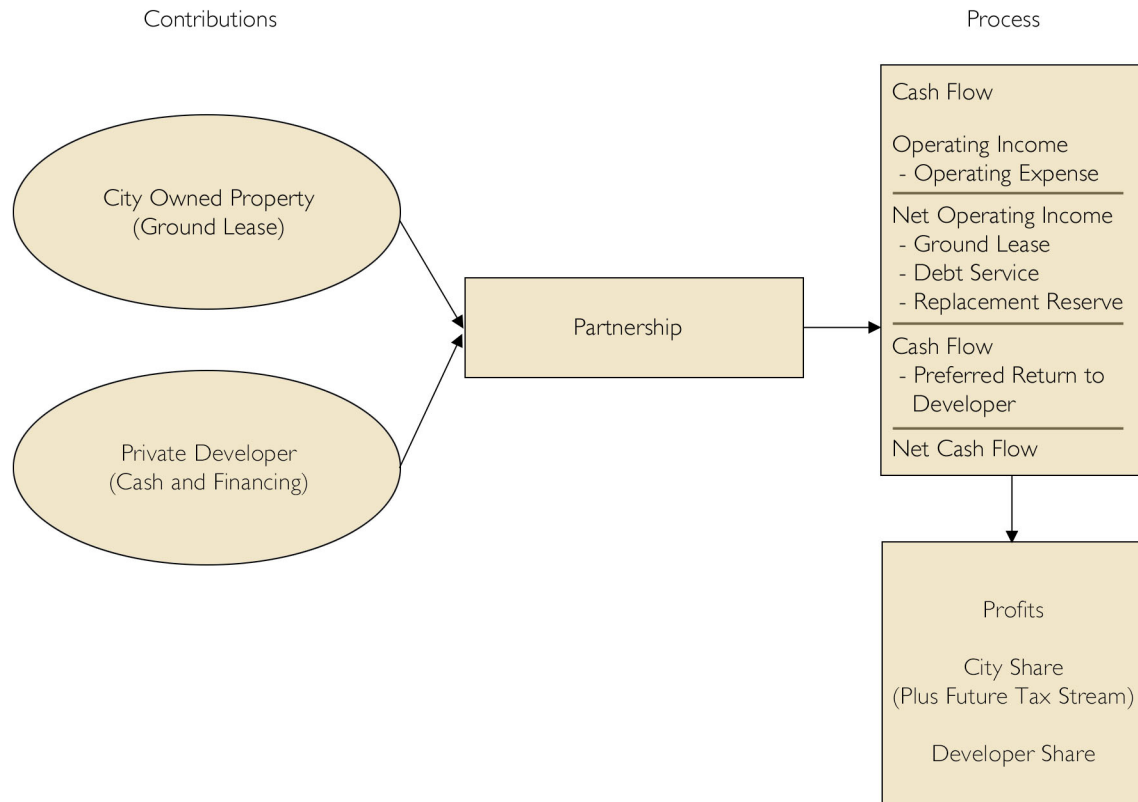
Typically, public/private partnerships have been undertaken for the development of public facilities or the provision of public services. However, there is no reason that the City cannot enter into such arrangements for the construction, rehabilitation, or conversion of structures for private housing. Although the City government may not have the authority to directly undertake activities for private users; the powers of the RRHA do allow for this exercise and would be the logical agency for the City Council to direct to undertake particular programs. Programs can include both housing for sale and housing for rent. The following charts indicate two methods that describe how public/private partnerships could be structured to provide private housing.



## PARTNERING ON HOUSING FOR SALE



## PARTNERING ON HOUSING FOR RENT



## **SUMMARY OF FINDINGS**

### **FINDINGS FROM ANALYSIS OF CURRENT CONDITIONS AND TRENDS**

A full analysis of the conditions and trends of housing and the housing market is provided in Section II. The major findings of the analysis portion of the housing study can be summarized as follows:

- ⊕ The population of the City of Roanoke has experienced small declines over the past 20 years.
- ⊕ The City has a higher percentage of minority residents than the surrounding communities.
- ⊕ Average household income for City residents is lower than the income in the suburban communities.
- ⊕ City households pay a larger percentage of income for housing costs than do households in the rest of the MSA.
- ⊕ The value of homes within the City is generally lower than that of the surrounding communities. The exception to this is South Roanoke where sales prices of homes led the region in 2003.
- ⊕ The average age of houses within the City is generally higher than the surrounding communities.
- ⊕ The average size of homes sold in the City is smaller than the remainder of the MSA.
- ⊕ The City has added a modest number of new units in the last ten years and has replaced more old units than the rest of the MSA.
- ⊕ City homes stay on the market for a shorter period of time than homes in the suburbs.

### **STRENGTHS AND ADVANTAGES OF THE CITY HOUSING MARKET**

Interviews and discussions on housing issues have occurred with a diverse group of citizens through focus groups, public forums, and interviews. These have yielded high marks overall for the City as a place to live. These strengths should be incorporated in policy, public relations, and marketing programs that the City develops to attract more housing investment. Participants generally indicate that

- ⊕ The City offers unique urban amenities such as the market district and cultural district
- ⊕ The City is a good residential environment
- ⊕ The City is affordable
- ⊕ The City is well managed and delivers good value in its services
- ⊕ The City offers a diversity in housing
- ⊕ The City is the center of the region
- ⊕ City neighborhoods are perceived as safe

### **WEAKNESSES AND DISADVANTAGES OF THE CITY HOUSING MARKET**

Still, there are factors that detract from the overall desirability of living in the City. Many of these factors are based on perceptions that can be addressed through changes in public policies and improved public information. These include:

- ⊕ The age of the housing is perceived as an indicator of obsolescence rather than a historic asset.

- ⊕ Unused or abandoned industrial and commercial properties project an appearance of diminishing economic activity and discourage investment.
- ⊕ By state law, the City is unable to expand its boundaries. The City must work harder to find creative ways of using the few undeveloped tracts of land within its boundaries and to find ways to reuse and adapt existing development for new housing opportunities.
- ⊕ The ease of vehicular access into the downtown employment center and the quantity of available, affordable parking makes it convenient for people to commute from the suburbs with little reason to find a home in the City itself. While this is not typically perceived as a weakness, it does facilitate commuting and enhances the attractiveness of suburban living.
- ⊕ There are a limited number of larger tracts for the development of subdivision housing.
- ⊕ There appears to be a lack of growth and diversity risk taking in the development field and financing markets, thus prompting the need for incentives to change market behavior. Developers are more inclined to repeat only proven development types.
- ⊕ The perception is that the school system is not as good as the suburban school systems; suggesting a need for better public relations. This is a major impediment to attracting families to live in the City.
- ⊕ Sometimes the use of development guidelines and standards are viewed as impediments by developers, especially in areas of lower priced housing, rather than as tools to preserve, protect, and enhance neighborhoods.
- ⊕ The perception is that the quality of new housing being built in the City merely matches the price of the other homes in the neighborhood, therefore not raising values as much as in the suburbs







STRATEGIES FOR CHANGE



## STRATEGIES FOR CHANGE

### CREATING CHANGE AT A NEIGHBORHOOD LEVEL

Change will not happen by focusing on housing at a house-by-house level or even at a “program” level. Rather, change must be effectuated in a comprehensive manner at a neighborhood level. By developing and implementing plans at a neighborhood level, the City can address more of the problems that contribute to disinvestments within the neighborhood and improve property values to meet their highest potential as well as the quality of life for area residents. Revitalization is not a fragmented cosmetic program, but rather a broad based effort to achieve long lasting effects.

More important, the City must be selective and direct its funds carefully to maximize benefits and create sustainable neighborhoods in the most efficient manner. Not all neighborhoods require intervention or direction from the City. The strategies and level of City involvement varies widely depending upon current conditions and market forces active at the time. In broadest terms, neighborhoods will fall in one of five classes, as follows:

#### SOUND, MARKETABLE NEIGHBORHOODS

These neighborhoods are economically viable without special programs or efforts on the part of the City. The continued maintenance of infrastructure, provision of quality services, enforcement of codes, and attention to compatible uses will ensure that the health of these neighborhoods continues.

#### NEIGHBORHOODS WITH SOME DETERIORATION, BUT EXHIBITING PRIVATE INVESTMENT

These are neighborhoods that may be improving due to some geographic advantage, have a style or character that is highly desirable, and/or are experiencing a positive change due to some other factor such as the location of a new facility. In these neighborhoods, private activity is already at work. The City should be active in its maintenance and regulatory functions in these areas and be aware of the need for improved or expanded infrastructure and services that may support the private investment.

#### DECLINING NEIGHBORHOODS WITH LITTLE PRIVATE ACTIVITY

These neighborhoods will continue to decline unless there is City intervention to create the necessary public/private partnerships to change the trends. If intervention occurs at an early enough stage, deteriorating structures can be saved and the neighborhood can be revitalized through housing rehabilitation and public infrastructure improvements. In these areas, it is necessary to leverage strong private participation with property owners and residents.

#### DECLINING NEIGHBORHOODS WITH SIGNIFICANT DETERIORATION

In addition to pervasive deterioration and vacant buildings, these areas are often showing signs of serious socio-economic problems. Neighborhoods in this category will require a certain amount of acquisition and demolition to remove blighted

structures that warrant clearance. Significant rehabilitation efforts and considerable investment in infrastructure improvements and services are required. Improvement efforts will involve a much higher level of investment to stem the decline.

## **STRATEGIC INITIATIVES**

In making the decisions for how to best utilize its limited financial resources, the City must consider the needs of all of its neighborhoods, but prioritize those areas where it can get the best return on its investment, where there are opportunities that need to be used to best advantage, and where it can leverage private investments and eventually minimize its future costs. If strategically applied, the City can make comprehensive changes to its neighborhoods that will be sustained and provide the momentum for continuing private sector maintenance and investment.

Public/private partnerships are the major component of successful programs where public funds are committed. Scarce public dollars need to be invested in neighborhood revitalization where they can leverage private investment. To the maximum extent possible, public funds should be provided as loans and even forgivable loans rather than grants, regenerating or leaving more funds for investment in public facilities and infrastructure in the neighborhood. Once private investment is sustainable, the public role is reduced or withdrawn.

Stakeholders, property owners, and residents must be involved in the planning and implementation of all programs. Voluntary participation by owners and investors results in better, faster change and less need to use enforcement and regulatory authorities. Public investments will meet the need for services and facilities that the private sector cannot provide—public safety, infrastructure, environmental protection, and human services. Stakeholder participation ensures greater participation in building improvements, adaptive reuse, infill development and quality design.

Developing strategies and programs to implement change is dependent upon being able to capitalize on the strengths of the City and to neutralize its weaknesses. The strategies that are engendered in this plan are focused on utilizing what the City has to work with—the characteristics of the people who reside in the metropolitan area, the physical characteristics of different neighborhoods within the City, the identification of lifestyle choices that residents make, and the sources of authority and funding that are available.

## **URBAN INFILL HOUSING**

Urban infill housing has been studied in response to market demands for people moving back into cities. Urban infill comes in a wide variety of types, from single homes on scattered sites to large subdivisions and even adaptive reuse of former industrial or commercial structures. Infill may take the form of using underutilized land and buildings; redevelopment of obsolete deteriorated areas or regeneration of properties to a higher economic use. Virtually all of the future housing development that will take place will be infill in developed cities such as Roanoke.

## URBAN ADVANTAGE NEIGHBORHOODS

The City of Roanoke offers amenities that set it apart from the rest of the metropolitan area. It is the historic heart of the region and urban in its form and function. By virtue of this form and function, many different types of citizens are brought together on a daily basis as they go to school, work, shop, participate in recreation, or socialize. This diversity and heterogeneity make the City an exciting place in which to live, and it is this feature that the City must market. We can draw conclusions about what succeeds by looking at parts of Roanoke that have succeeded in maintaining, protecting, and building on these features. For purposes of this study, the neighborhoods that are examined are referred to as Urban Advantage Neighborhoods.

Urban Advantage Neighborhoods currently display the most unique characteristics that set them apart. These neighborhoods capture the flavor of city living and have features that are truly different from suburban development. It is this difference more than any other that Roanoke must use to compete for a larger share of market rate housing. The City cannot compete with the suburbs to be a better suburb; rather, the City has its own character, something with the vibrancy and diversity that can only be present in urban settings. The following neighborhoods in Roanoke exemplify where this vibrancy and diversity is apparent to the casual observer.

The Grandin Village/Greater Raleigh Court neighborhood is consistently mentioned as the model for development in Roanoke. This community offers a truly wonderful example of urban living: walkability; significant community anchors including schools, churches, post office and parks; a small but thriving commercial area with an almost European feel; integrated housing types that include opportunities for both ownership and rental; and a style that is both diverse and yet identifiable as a neighborhood. Roanoke should use this as a model for the urban advantage as it examines neighborhood revitalization and capture those elements for application elsewhere, but not duplication. Another area that provides an example of urban advantage lifestyles is Crystal Springs in South Roanoke.

Old Southwest, while not having the retail center that is present in Grandin Village, demonstrates that there is activity in the private sector to acquire and restore older homes for middle and upper-middle class family occupancy. The proximity of Old Southwest to the downtown area provides the same sort of features that Grandin Village provides for Greater Raleigh Court. This area provides a type of housing that is attractive to home purchasers and can serve as a model for other areas with similar attributes.

What are the traits in these neighborhoods that can be applied and encouraged in other neighborhoods? Roanoke's neighborhood plans give great insight in this matter.

### GREATER RALEIGH COURT

The 1999 neighborhood plan emphasizes several features that make this neighborhood successful and attractive. These features include:

- ⌘ The presence of a viable, pedestrian oriented commercial area at a time when large shopping malls have replaced most neighborhood businesses.



- ⊕ The recognition that neighborhood schools are an asset.
- ⊕ An age distribution that mirrors that of the City as a whole.
- ⊕ Educational attainment that is higher than the City overall.
- ⊕ Income distribution that is about the same as the entire City.
- ⊕ An active neighborhood organization of long standing.
- ⊕ A fairly well developed pedestrian system along major thoroughfares.
- ⊕ A series of neighborhood and community parks.

Interestingly, the housing in Greater Raleigh Court displays a higher percentage of multi-family units and a lower percentage of single-family units than the overall City. Accordingly, this yields a slightly higher percentage of rental units versus owner-occupied units, running counter to the supposition that rental units, including multi-family units, create an inferior environment. The City already has taken steps to protect the mix of units in this neighborhood by limiting the conversion of large, single-family homes into multi-family structures. The residents in the area express concerns that maintenance, particularly of multi-family structures and grounds, is inadequate.

It should be noted that the Greater Raleigh Court neighborhood seems to be a neighborhood that has maintained its health since its inception in the early part of the twentieth century. It, of course, has a distinct advantage over neighborhoods that have experienced significant decline. The ability of a neighborhood to regenerate itself from generation to generation is the basis for investment decisions of limited City resources.

### OLD SOUTHWEST

The 2003 neighborhood plan documents the strengths and opportunities of Old Southwest, including:

- ⊕ The designation of the neighborhood as an historic district.
- ⊕ A wealth of architectural styles.
- ⊕ Proximity to downtown and the Riverside Center for Research and Technology.
- ⊕ An active effort on the part of private owners to rehabilitate existing housing.
- ⊕ A supply of still affordable, architecturally interesting homes.
- ⊕ City promulgated architectural design guidelines.
- ⊕ An active neighborhood organization
- ⊕ Active use of the City's tax abatement program

While Old Southwest has some neighborhood commercial areas, its proximity to downtown eclipses much of the smaller scale retail center needs. This is not intended to discount the existing neighborhood commercial, but to differentiate the way that this neighborhood functions when compared with Greater Raleigh Court.



The most interesting feature of Old Southwest in the context of the Housing Strategic Plan is the high level of private sector activity in the rehabilitation and restoration of housing throughout the neighborhood. Clearly, Old Southwest has gone through cycles of development and decline and is now in an improvement mode. This has happened without specific, significant infusion of public dollars (other than the tax abatement program) and demonstrates that there are households that are willing to make investments in city neighborhoods in order to recreate an environment with charm and character.





# NEIGHBORHOOD STRATEGIES

# NEIGHBORHOOD STRATEGY I DOWNTOWN HOUSING, PARKING LOTS, WAREHOUSE + OFFICE ADAPTIVE REUSE

## GOAL

To attract a variety of upscale residential units for sale and for rent in an area within 5-minute walking distance from downtown activity centers. The audience that seeks this type of location includes young professionals who want to have ready access to work and social/cultural opportunities, empty nesters who want to shed the maintenance requirements of single family living and also want to be near activity centers, and active seniors who want to be able to maintain an active lifestyle close to home without the need to travel for all daily needs.

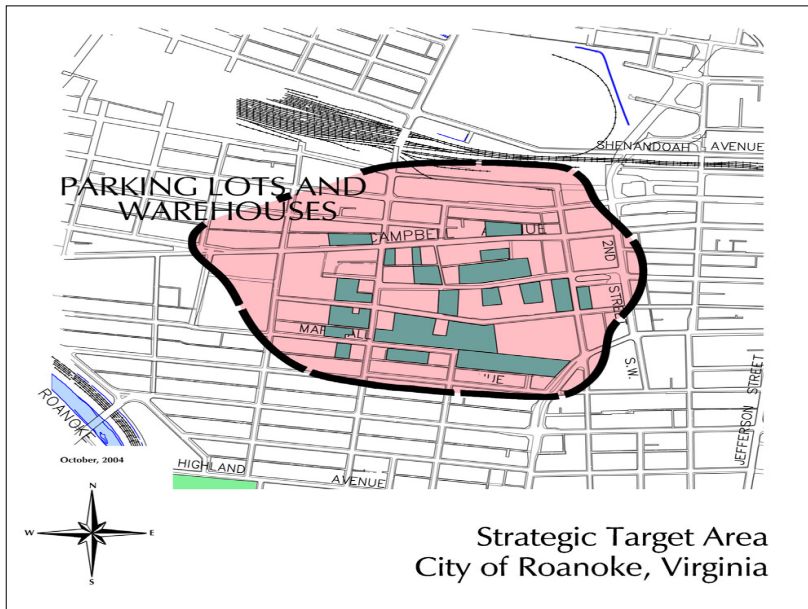
## GEOGRAPHICAL FOCUS

The area is bounded by 3rd Street, Campbell Avenue, 7th Street, and Marshall Avenue, and the warehouse areas along Salem Avenue and Norfolk Avenue. A portion of this area west of 5<sup>th</sup> Street is a designated conservation area, providing additional opportunities for City initiatives.

Traveling west out of the heart of downtown Roanoke, one is confronted by a large amount of surface parking to the

point that this becomes the most notable landscape feature. These large lots serve the churches and small businesses, the Jefferson Center, the YMCA, and numerous other users. While an abundance of parking is important to the economic well being of the downtown area, this large commitment of developable space in strategic locations presents an opportunity that the City must consider. These parking lots offer the chance for the development of mixed-use residential communities that would have excellent access to downtown and to the cultural heart of Roanoke.

The warehouse district along Campbell





and Salem Avenues offers numerous opportunities for adaptive reuse development. A mixture of commercial and residential uses in this district would add to the vitality and viability of the area. The potential exists to create an “urban village” with proximity to downtown which further enhances its desirability for development.

There is also a distinct advantage to Roanoke in supporting and encouraging the development of these areas for mixed-use. The proximity of residential to commercial uses will enhance the activity level and vitality in the downtown on a 24-hour per day basis. In the present usage, the combination of parking and warehouse areas create a visual and functional division between neighborhoods. The reuse of these areas can serve as a tie between neighborhoods to the north and south.

The conversion of surface parking to residential and mixed-use development is the equivalent of finding “Greenfield” development sites in a downtown setting. Thoughtful development of these blocks will result in a community that is highly valued and a great asset to the entire city.

As this area is considered for conversion, careful attention must be paid to the adequacy of parking, either on site or on other infill parcels surrounding the downtown area.

## **STAKEHOLDER PARTICIPATION**

It is important to note that an early step of a strategic neighborhood program involves creating participation by the residents and landowners, henceforth referred to as the stakeholders. Stakeholder involvement from the earliest stages of planning through the completion of the project is necessary if it is to have any chance of success.

## **STRATEGY**

### **NEW CONSTRUCTION**

New construction on these “Greenfield” development sites would appear to be possible both on the vacant, unused parcels that already exist and through the conversion of surface parking to mixed use residential and commercial clusters. These projects will require public-private partnerships often combined with conservation/redevelopment plans and implementation programs.

### **PROCESS - REVIEW OF THE CONSERVATION/REDEVELOPMENT PLAN**

Because there may be a need for the acquisition of property by the City to accomplish the necessary land assembly, consideration should be given to the creation of a redevelopment area so that Title 36 powers could be utilized. Prior to the preparation of a plan, the City and the RRHA must make a determination of eligibility under Title 36, Code of Virginia, regarding the level of substandardness and blighting influences in the targeted area. If eligibility is determined, a conservation/redevelopment plan would subsequently include the designation of specific sites for acquisition, rehabilitation, and other activities, including public investment in infrastructure. The plan and all amendments must be adopted by both





the City Council and the RRHA, pursuant to the powers and authorities granted under Title 36. The plan could serve the City in its conservation/redevelopment efforts by indicating to private property owners what it intends to do, giving them an opportunity to undertake the necessary improvements with public funding assistance and/or would grant the RRHA the authority to acquire the properties for private purposes should the private owners fail to respond.

#### PROCESS - PREPARATION OF A SCHEMATIC/CONCEPT PLAN FOR DEVELOPMENT

Once the City has identified the parcels that it wishes to develop for a mixed use residential/commercial development, a schematic or concept plan should be developed that provides broad details for the desirable type of development, any design criteria that it wishes to apply, etc. The development cost would be underwritten by the City and the property placed on the market for competitive proposals for development. The process could be done in a fashion similar to that being used at the Colonial Green site.

There are examples of cities across the country that have successfully undertaken projects of this type. Cincinnati, Ohio has had notable successes in developing projects involving new residential construction in a downtown setting. St. Xavier Park is a development that stretches over an 8-block area in the downtown and includes new residential construction, adaptive reuse of several vacant office buildings, and a parking deck. A public/private partnership was forged that allowed the developer Neyer/North American to assemble properties with the City's assistance and undertake the construction and renovation. The results of this project, when complete, include 50,000 square feet of office space, 25,000 square feet of street level commercial space, 150 loft style apartments, 150 luxury condominiums, and a 400 space parking garage. Various financing mechanisms were employed and both federal and state rehabilitation tax credit programs combined to make this project a financial and functional success.

#### ADAPTIVE REUSE

There are two high priority buildings within the neighborhood that offer great potential for adaptive reuse. The Cotton Mill building has recently been purchased. The developer contemplates using this building for creative studio and living



space with some on-site parking. The City has acquired the former YMCA building as part of a land swap that occurred to allow for the construction of the new facility. In addition to these buildings there are a number of warehouse and industrial structures in close proximity that appear to have the character and materials that are frequently present in adaptive reuse structures.

#### PROCESS

The Cotton Mill offers opportunities for the City to partner with a developer experienced in adaptive reuse of commercial/industrial properties. The use of historic tax credits and the tax abatement program should help provide incentives to make this project work. The

City should collaborate with the developer to ensure that the project fits the City's concept of development both on that

site and its plans for adjacent development. Consideration may be given to utilizing inclusionary development techniques in both private and public projects to create a limited number of the units for LMI residents

The warehouses along the perimeter of the area offer potential for additional adaptive reuse housing. The City should examine the redevelopment plan for this neighborhood to determine the appropriateness of amendments targeting these buildings for improvement or demolition.

This neighborhood appears to be an appropriate area for a blend of retail, office and residential. Before proceeding on this course of action, however, more market analysis should be done to determine absorption rates for all uses. The City must be careful not to lead the market, causing a surplus of space and having the effect of depressing the market.

The City, through a land exchange, has received the old YMCA building and has an opportunity to create a unique living environment at this location. The condition of the building must be evaluated to determine the feasibility of adaptive reuse for mixed residential and commercial. If the building is suitable and renovation and conversion costs are economical, private developer could undertake the conversion. If the building is too costly to convert, plans should be developed for its demolition and a new mixed use structure(s) constructed. A possible scenario would place commercial/retail space at street level with residential uses in the upper floors.

Total parking needs must be a part of the process of any development in this location. The City is in the process of developing a 350 space parking deck adjacent to the Jefferson Center that should provide a portion of what is needed. However, the need for these spaces for event uses will compete for residential and retail users. A parking inventory and demand analysis should be conducted to determine additional parking needs and coordination with the development of housing.



## NEIGHBORHOOD STRATEGY 2 NORTHERN EDGE OF OLD SOUTHWEST

### GOAL

To accelerate private investment in the rehabilitation/renovation of homes in an area of rehabilitation activity. This area lends itself well to attracting returning families who like the idea of having easy access to the urban amenities but still want a small-town feel where they know their neighbors; there is a feeling of safety, and an involved community.

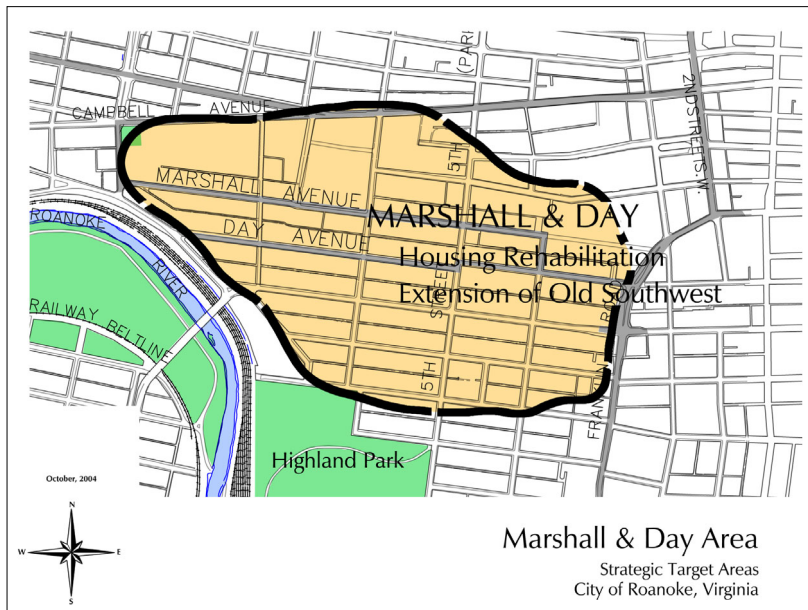
### GEOGRAPHIC FOCUS

The area is bounded by Franklin Road, Marshall Avenue, 10<sup>th</sup> Street and Day Avenue. This area is within a designated conservation area. These streets are part of the Old Southwest neighborhood that has not yet experienced the resurgent renovation that is present in the blocks to the south. The homes in this area appear to be of a similar quality to those in the renovated portion of Old Southwest and have the added advantage of closer proximity to downtown.

This part of the neighborhood exhibits many of the characteristics of a declining area. Maintenance of many homes is lacking, as observable by peeling paint, sagging rooflines, boarded windows, and missing gutters and downspouts. Yards

and shrubs may be overgrown. Streets and alleys have trash and debris. Many of the larger houses have multiple electric meter bases and mailboxes, indicating prior conversion from single family to multi-family use.

Because of the proximity of this neighborhood to downtown, the underlying quality of the homes, and the level of success that has been achieved in the rest of Old Southwest, this neighborhood is deemed to be ripe for assistance by the City to accelerate the process of restoration and rehabilitation and to continue a growing movement to salvage one of its finer neighborhoods.



## STRATEGY

### REHABILITATION LOAN FUND

The RRHA has a rehabilitation loan fund that was developed to assist in the private rehabilitation of homes by any qualified applicant, although the primary users have traditionally been of low- and moderate-income. The loan fund includes Community Development Block Grant funds and a market rate line of credit through a commercial bank. Low- and Moderate-Income applicants receive a blended loan and non-LMI applicants are eligible for the market rate funds. The RRHA receives and reviews loan applications, qualifying them for access to funds from an existing line of credit. Those applicants that qualify for the underwriting standards are funded directly through the line of credit. Those applicants that do not meet the normal underwriting standards receive additional loan subsidies to bring them up to a qualifying standard. A loan loss reserve is extended by RRHA to make these loans more attractive to lenders. This program should be expanded and marketed to a wider audience including those owners in any of the strategic neighborhoods who are undertaking rehabilitation work.

#### PROCESS

The City should confer with the RRHA to discuss opportunities for the expansion of the loan program. The primary requirement for expansion of the program will be the provision of funds for the loan loss requirements of the lender. While RRHA provides these funds as an eligible cost for the use of federal funds for LMI recipients, non-LMI recipients would require City funds.

### PROVISION OF INSPECTION/DESIGN ASSISTANCE

Individual property owners frequently have limited knowledge about major renovation projects. They also have limited knowledge about regulatory permits and reviews, and the requirements imposed by design guidelines. The submission and processing of the different reviews and permits can seem to add what seems to be a considerable time element for the uninitiated. The RRHA has traditionally provided assistance to LMI owners and landlords renting to LMI households in the form of rehabilitation specialists. The service includes the inspection of properties, development of specifications to improve properties, bidding, construction administration, and inspection. RRHA offers these same services to other owners at no cost on a request basis. With more aggressive marketing, the service could be utilized to a much greater extent. The service could be expanded through the use of architectural services and specialists in historic preservation for many of the older, architecturally significant homes. The Norfolk Redevelopment and Housing Authority, Norfolk, Virginia, has aggressively marketed this type of service and has also provided financial counseling services to the program. They report considerable interest on the part of individual homeowners undertaking home improvements.

#### PROCESS

Two different approaches could be taken to provide and expand this type of service. The first approach would utilize the staff in the planning department or a partnering with the RRHA to aggressively market the existing assistance programs to a more middle-income clientele. If this approach succeeds, it may be necessary for the addition of staff, funded either by





the City or through the imposition of modest fees for service. The City should encourage interest among the various professional associations in creating a program.

### **TAX ABATEMENT PROGRAM**

The City's tax abatement program has been offered to owners since the 1980's. Historically, the Old Southwest neighborhood has utilized this program the most. The City has done a good job of making owners aware of the program through several different offices, including the building inspection and real property assessment offices. The neighborhood association has also been active in making owners aware of this incentive.

#### **PROCESS**

The City should continuously examine the abatement program. A panel representing the assessment, building, planning, and finance departments should serve in this review. It may be appropriate to reduce the increased value threshold to broaden participation. The City should consider investment in home improvements that occur over time, perhaps a 3 to 5 year period, to also encourage continuous investment by owners. Another approach would be to grant abatements based upon the level of increased value, i.e., higher increased value percentages would get a higher percentage abatement while lower increased value percentages would get a lower abatement with the intent of achieving comprehensive improvements.

### **INFRASTRUCTURE INVESTMENT**

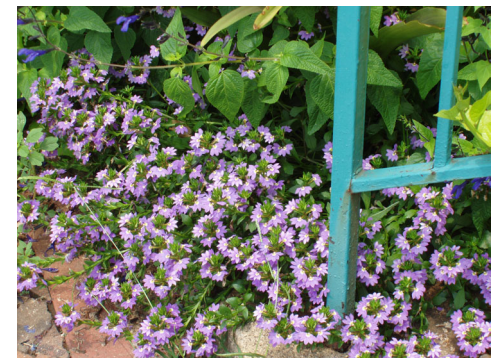
The City should undertake an aggressive sidewalk, lighting and streetscape program to rapidly change the neighborhood setting of this area. A demonstration of the City's commitment through infrastructure will help to convince private owners that Roanoke is involved and is going to assist in community change.

#### **PROCESS**

The City has a process in place to evaluate the condition of its streets, sidewalks, and storm drainage. Repairs and replacement occur as funds are available and as needs are prioritized. The City should modify this program to focus additional funds for improvements in the strategic neighborhoods. A comprehensive street, sidewalk, lighting, and signage program should be a part of the neighborhood level planning that is done in each strategic neighborhood. The strategic neighborhoods should be the first areas to have complete sidewalk/trail networks and to interconnect with other pedestrian structures in adjacent areas. Certain projects may qualify for transportation enhancement funds, thereby leveraging the City's maintenance and general fund dollars available for improvements.

### **NEW INFILL CONSTRUCTION**

There are a number of vacant lots within the neighborhood, particularly along Marshall Avenue between 5<sup>th</sup> Street and 7<sup>th</sup> Street. The construction of well-designed single-family detached homes in these blocks will provide a tie to the downtown and the parking lot/warehouse areas, creating a continuity of uses and function. Design standards that draw on



existing styles in Old Southwest and the mixed-use areas will provide a pleasing continuity and should be a requirement for all infill construction.

#### PROCESS

The City should inventory the vacant parcels and prioritize the use of the parcels based upon its perception of the opportunities and the impact of these parcels on other revitalization efforts. Schematic designs should be prepared for potential development scenarios. Property owners should be identified and meetings set to establish opportunities for partnerships, to identify owner plans for properties, and to determine impediments to new construction on these sites. In some instances, the City may need to acquire parcels and package them for sale to private developers in order to stimulate infill construction.



#### CONSERVATION/REDEVELOPMENT PLAN

Major land assemblage for infill construction and redevelopment may not occur with only private sector involvement if the identified owners are unwilling to sell their properties or unable to make improvements. Rehabilitation of existing homes may also be problematic in the short term, especially in those instances where the properties are renter occupied. As this area is within a conservation area, the City already has certain powers to effect the desired changes. The existing conservation plan should be evaluated and amended as appropriate to encompass the necessary properties and actions to for revitalization of this portion of the neighborhood.

#### PROCESS

As in any conservation/redevelopment area, Title 36 requires an assessment and planning process that involves both the City and the RRHA. A review of the existing plan will help in the determination of necessary amendments and funding as a first step in the process.

## NEIGHBORHOOD STRATEGY 3 GAINSBORO

### GOAL

To create new infill construction at above median value pricing in order to lift housing value and investment throughout the neighborhood. Depending upon the specific infill area, Gainsboro offers opportunities for a broad target audience. While having a quantity of single-family homes on individual lots, some of the infill sites offer opportunities for townhouse and condominium development that would be suited to empty nesters and active seniors. Larger assemblages of land could provide opportunities for mixed housing styles that may suit a very diverse clientele.

### GEOGRAPHIC FOCUS

The entire Gainsboro area with special attention to Cherry Avenue. This area is a designated redevelopment area. This community offers potentials for infill construction in what is clearly an area that has the potential to experience increased desirability from homebuyers. The close proximity to downtown, an active community association, the redeveloped Hotel Roanoke, the Higher Education Center, and the successful Eight Jefferson Place project are indicative of the readiness of this neighborhood to develop.

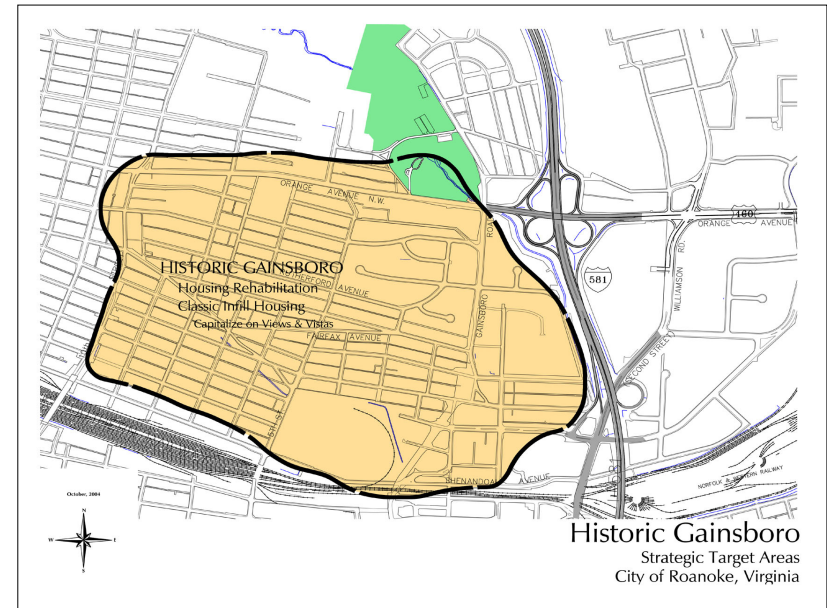
Among the existing features of this neighborhood that point to its development potential as a major focus for housing programs are:

- # The existence of large homes with character in varying states of maintenance.
- # Active programs under the auspices of the RRHA that have resulted in numerous sites being available for new construction. RRHA owns a number of scattered site lots as well as the Cherry Avenue site in Gainsboro. These properties were acquired and made available as part of the Redevelopment/Conservation Plan for the neighborhood through various acquisition and clearance means over an extended period of time.
- # Topographic features that benefit from views to the surrounding mountains and the downtown, particularly the Cherry Avenue area.

### STRATEGY

#### NEW INFILL CONSTRUCTION

Some of the vacant land within this neighborhood is already under the ownership of the RRHA. The strategy for the initial effort for this neighborhood is to make a select number of parcels available to the development community to spur new home construction.



## PROCESS

The RRHA and the City should catalogue the properties that are currently in public control. Sites should be analyzed for their potential development values and their potential effects upon the revitalization of the neighborhood. This analysis should include cost estimates for preparing the properties for reuse. A series of design guidelines should be prepared that describe the type of housing that is desired, including size, amenities, architectural style, and other features. A goal of pricing newly constructed homes priced at 140% or greater of the median price for the neighborhood should be a part of the guidelines. A development prospectus should be prepared to seek developers/builders both by direct solicitation and through requests for proposals. Sites should be made available to developers at no cost with the agreement that the developer will abide by all specifications. The City should explore ways to waive permit and connection fees in order to make these sites more attractive for developers. This program can also be enhanced through a guaranteed buy-back element similar to that previously administered by the RRHA. The RRHA could then market the homes for sale or use them as scattered site housing.

## CHERRY AVENUE DEVELOPMENT

Cherry Avenue offers a larger site for a more comprehensive infill construction. This site provides extraordinary views as well as good proximity to downtown. The site is not without challenges: inter-connection with the existing street system is problematic and the apartment complex adjacent to the site detracts from a potentially attractive location for construction of a new housing development.

## PROCESS

A master plan has been prepared for this site. Site considerations include acquiring additional property to make this property developable. With much of this site already controlled by the RRHA and plans to utilize CDBG funds to acquire the apartment complex, developers should be solicited to develop the site according to the master plan. The need for construction and modification of the street access to this site should be undertaken by the City. As with the other infill program above, it is advisable for the RRHA to make this property available to a qualified developer at no cost in order to provide sufficient motivation for the right type of housing to be built. And, as in the other infill program, the City should explore ways to waive its permit fees and charges.

## HOUSING REHABILITATION

There are a number of homes that could benefit from the availability of funds to undertake rehabilitation. The City has determined that it will target a significant portion of its CDBG funds for Gainsboro over a two-year period. While the CDBG entitlement funds are largely designated for LMI units, the City should supplement these funds with City created and controlled loan pool funds that could be made available to non-LMI owners. The City has prepared a Neighborhood Revitalization Strategy Area Plan (NRSA) for this area that addresses the specific targeting of funds to various issues within the Gainsboro community, housing rehabilitation being one of the important facets of this important plan. Through 2006 and into 2007, the City of Roanoke will be providing over \$2.3 million of HUD funds for housing in Gainsboro.





Approximately \$1.2 million will be directed to homeownership assistance and over \$1 million to owner/tenant-occupied rehabilitation. The RRHA will be working to substantially rehabilitate 15 owner-occupied and tenant-occupied units and perform limited rehabilitation to 44 additional properties. Blue Ridge Housing Development Corporation will provide direct homeownership assistance to 15 homebuyers. This initiative should provide a significant injection of housing activity into the Gainsboro neighborhood, spurring investment from the private sector.

#### PROCESS

A neighborhood rehabilitation program will require the provision of funds to implement the rehabilitation of individual homes. While the CDBG funds will help to address the LMI needs, the City should also utilize a loan pool as described in Neighborhood Strategy I to provide funds for those who do not qualify for the CDBG program. The inspection/design assistance program will compliment this program.

#### INFRASTRUCTURE/STREETScape IMPROVEMENTS

The construction of I-581 and its interchange at Wells Avenue and widening of Gainsboro Road created difficult conditions for pedestrian movements through the neighborhood. The design and construction of the gateway features have helped to define the major entryways to the neighborhood, but have not helped in movements either within or to the area.

#### PROCESS

The City should develop an infrastructure plan to address streets, sidewalks, lighting and signage in the Gainsboro neighborhood. Of particular importance is pedestrian access through areas of wide, multi-lane streets so that people feel comfortable crossing the busy roadways. Traffic calming features could be employed to slow traffic and give pedestrians a greater feeling of security. The proximity of Gainsboro to downtown makes pedestrian connections to the central downtown area an important feature to be developed in order to maximize the potential of this neighborhood. An integrated lighting, landscaping, and signage program will complete the efforts to provide a comprehensive neighborhood improvement.

## NEIGHBORHOOD STRATEGY 4 SOUTHEAST BY DESIGN

### GOAL

To further invest in the revitalization of a community where the City and non-profits have already made a commitment of funds and effort so that the neighborhood can reach market self-sufficiency. This neighborhood has an opportunity to provide housing for a wide range of prospective residents.

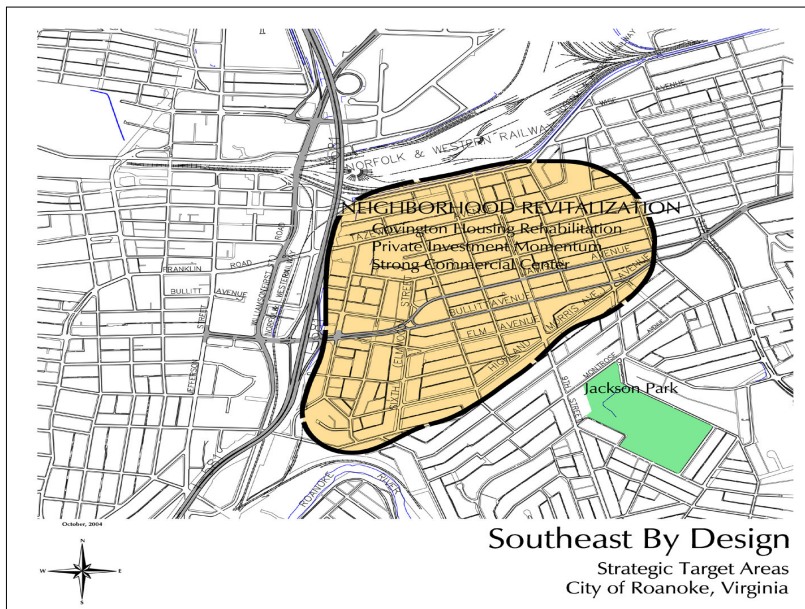
### GEOGRAPHIC FOCUS

The Southeast By Design area is a designated conservation area. The City has made a substantial investment in revitalizing this community. This aggressive program was undertaken as a pilot program by the City of Roanoke to concentrate CDBG funds in a single neighborhood for a two-year period rather than spreading the funds citywide. Included in the Community Master Plan prepared by Marsh Witt Associates are activities addressing:

- ⊕ Rehabilitation loans to 44 existing homeowners
- ⊕ Minor repair grants to 34 homeowners
- ⊕ Acquisition of 33 vacant lots and structures
- ⊕ Construction of 24 new homes
- ⊕ Installation of sidewalks, curbs, and gutters
- ⊕ Numerous actions and programs by various city departments

While the City has made great strides over the past two years to complete these activities, there is much more to do. The City needs to maintain a presence in the community until private investment becomes a greater factor in the revitalization process. This may mean that the City needs to be involved, both administratively and financially, for an additional 3 to 5 years. Though the City is currently designating another neighborhood for investment of its CDBG funds, other sources of funding and the use of other types of financial incentives must be applied to continue the activity in the neighborhood. Success will be realized when property

values across the neighborhood are generally increasing and private investment is more readily apparent. If the City should withdraw from the community now, it may revert to its former condition and the investment that has been made may be lost.



## STRATEGY

### STIMULATING PRIVATE SECTOR INVOLVEMENT

The RRHA and non-profit organizations have been the primary agents of activity that has occurred in this neighborhood. This has involved loans, housing rehabilitation, and construction of LMI units funded by CDBG funds. While this has resulted in a number of improvements, the overall property values and level of construction and rehabilitation activity do not seem to have reached a point of significant private sector involvement either by owners or by developers. The City needs to take additional steps to ensure that the private sector will continue to invest, both in rehabilitation activities and in new construction.

#### PROCESS

Time is one of the primary obstacles to sustainable improvement in this neighborhood. Although the City has committed CDBG funds in a concentrated effort to address the neighborhood needs, more time is needed for the improvement process to be fully implemented. The City should provide financial resources through incentives and direct public investment to continue the successes that have been achieved to date. Additional private sector investment may occur if the City implements a free land for development program as described in preceding neighborhood strategies. A physical survey of the neighborhood shows that there are numerous vacant lots present, particularly along Bullit and Jamison Avenues between 6<sup>th</sup> and 9<sup>th</sup> Streets. These vacant lots serve to limit the impression of rehabilitation and construction activity that has occurred in the Southeast By Design program. The City needs to stimulate the use of these parcels in the near future. This may involve land acquisition to provide the necessary sites, a step that would require using the RRHA or a non-profit organization. Again, providing sites with requirements to build to certain standards, including the quality and value of the homes will help to increase overall housing values.

### TAX ABATEMENT PROGRAM

The City's tax abatement program for investment in housing rehabilitation has been discussed in other sections. The Southeast By Design neighborhood may be a good pilot area for the City to try additional features on the program to spur greater private investment. Both a lowering of the threshold increase in value and an extended investment period for the improvements could be additional incentives for rehabilitation and new construction activity in this neighborhood.

#### PROCESS

The review committee should use improvements in Southeast By Design as an investment model for possible amendment of the abatement program. Appropriate amendment should be drafted and enacted by the City Council to implement the recommended changes.

### DEVELOP PUBLIC - PRIVATE PARTNERSHIPS

There are a significant number of vacant parcels and certain uses that are considering moving from the neighborhood, particularly on the western end of the neighborhood, especially the Evangel Four Square properties bounded by Bullit



Avenue, Jamison Avenue, and 7<sup>th</sup> Street, and the north facing parcels on Jamison Avenue between 7<sup>th</sup> Street and 8<sup>th</sup> Street. This gateway to the neighborhood is an essential design feature and needs to be a major element in the revitalization strategies in order to spur revitalization elsewhere in the area. The desired changes can only occur if there is a strong commitment to the change by both the City and the private owners.

#### PROCESS

The City should forge a partnering relationship with the property owners of the strategic vacant parcels. Identification of the needs of the owners, their plans for future use, and their willingness to either develop or sell the properties is a necessary first step in determining the appropriate approach to seeing these properties become a productive part of the neighborhood. Should public acquisition be required, the RRHA could be the acquiring party. Specific design plans should be developed for this end of the neighborhood, building on and amplifying the conceptual plans prepared by Marsh Witt Associates for the City in 2002.

#### NEIGHBORHOOD COMMERCIAL CENTER

The plan for the Southeast .By Design speaks to the commercial nodes that exist at 9<sup>th</sup> Street and 13<sup>th</sup> Street. While these areas are commercial in character, they appear to serve needs that are primarily unrelated to the immediate neighborhood. In this respect, the City has not yet been able to fulfill its vision of neighborhood commercial centers as described in the comprehensive plan.

#### PROCESS

The City should develop plans for a neighborhood commercial area, preferably along the 9<sup>th</sup> Street area. This plan should include the type and scale of commercial enterprise that will service the residential uses that surround it. A grocery store, pharmacy, convenience sales, dining and light auto repair would all be of a nature that would fit into the community. . The City has authority to utilize Title 36 powers to redevelop commercial areas as well as residential areas and may need to consider the use of this authority to create the kind of commercial activity that is envisioned..



## NEIGHBORHOOD STRATEGY 5 WEST END/HURT PARK

### GOAL

To revitalize and preserve a historically and aesthetically significant neighborhood. Due to the high cost of renovating and maintaining many of these existing homes, the target audience is willing to make a significant investment in time and money, with the resources and desire to live in a unique location and with a special environment.

### GEOGRAPHIC FOCUS

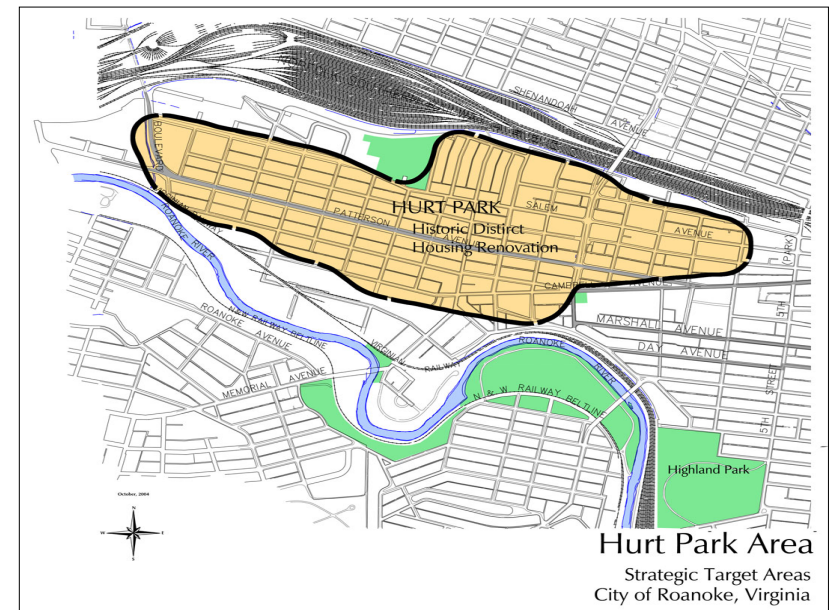
The area is Patterson Avenue between 10<sup>th</sup> Street and 17<sup>th</sup> Street. This area is within a designated conservation area. Hurt Park offers the possibility of recapturing a character that is too often lost in our urban communities. Patterson Avenue, at the heart of Hurt Park, could be an avenue of urban mansions with views of the surrounding mountains and within a few minutes travel time of downtown employment, shopping, culture and activity. This area is infused with a style of the Old South and is something that Roanoke should preserve as a part of its heritage.

There are several characteristics of this neighborhood that make it an attractive target for reviving the housing market, including:

- ⊕ A supply of large, attractively designed houses suitable for renovation and restoration.
- ⊕ A wide boulevard with opportunities for streetscaping and lighting.
- ⊕ Close proximity to downtown.
- ⊕ Vestiges of neighborhood commercial centers on the east end of the neighborhood.
- ⊕ Significant view opportunities to the south.
- ⊕ Historic district designation.

The major challenge to the revival of this neighborhood will be the substantial investments required to recapture the character of the past in these homes. These will not be standard renovation projects but will require much higher investments and employment of the necessary specialists and artisans.

Creating the necessary public/private partnerships for a neighborhood revitalization program of this magnitude will present a significant challenge. The neighborhood has a significant number of renter residents and contains a large proportion of low-income residents. Many of the structures appear to be in poor condition, and the general environment seems to be





one of little ongoing investment by owners. The City will need to spend a considerable amount of time in the development of stakeholder participation. Funding needs will be large in comparison with other neighborhood revitalization programs that the City may have undertaken. Use of CDBG entitlement funds as well as general funds and other sources of funding will all be required to make this program successful.

## **STRATEGY**

### **CONSERVATION/REDEVELOPMENT PLAN**

The complexity of this undertaking will certainly require City effort to acquire, demolish, rehabilitate, and package both existing structures and vacant lots. Undesirable uses and activities will have to be removed from the neighborhood in order to make it attractive to new investment. The adoption of amendments to the conservation/redevelopment plan needs to be one of the first steps in changing this neighborhood.

#### **PROCESS**

The City and the RRHA need to review the existing conservation plan and adopt any necessary amendments. A detailed analysis of neighborhood and structural conditions is warranted given existing conditions. Due to the cost of the revitalization that will be required and the severe deterioration that has occurred, the City and RRHA will need to prepare plans to address certain pockets within the neighborhood where deterioration has reached a point that rehabilitation is not possible. In these instances, properties will need to be acquired and the necessary demolition and reuse of the sites for new construction begun.

### **ACQUISITION AND RENOVATION OF PILOT HOMES**

There are numerous, large, attractive homes in the neighborhood, especially along Patterson Avenue. These homes will require an extraordinary level of detail, care, and cost in order to return them to a condition worthy of their design and importance to the community. It may be difficult to find private sector interest in the early phases of this neighborhood revitalization. In order to initiate the restoration of some of these homes, the City of Roanoke will probably need to play a direct role. One possibility is to exercise the acquisition powers of the RRHA to acquire certain key properties, to be identified by the City, and develop a program for the restoration and resale of these homes.

#### **PROCESS**

A range of conditions can be observed that will help to identify some of the costs that will be incurred in restoration. Preferably, several adjacent homes can be identified that are possible candidates for restoration so that there can be a more significant toehold in the neighborhood. Once the properties have been identified, the City should enter into discussions and negotiations with the owner to either undertake the restoration or for purposes of acquisition. In the instance where a property owner wishes to undertake the restoration, the inspection/architectural assistance services, discussed elsewhere should be utilized. Upon acquisition, the RRHA can assist the City in determining how the



restoration work should be performed, either through direct restoration by the City and its agencies, or through the identification of a private developer/entrepreneur.

Restoration of these structures will be costly and will require the use of numerous craftsmen that are not usually used in publicly funded rehabilitation projects. These structures must be brought back to an original condition quality along with the addition of modern features such as central heating and air conditioning, multiple bathrooms, modern wiring and cable, and luxury kitchens. In many cases, an architect skilled in historic renovation will be required to assure the maintenance of the authentic design.

### **REHABILITATION TAX CREDITS**

Hurt Park is a designated historic district and many of the homes contribute to the district, particularly along Patterson Avenue. The coupling of tax credits with the abatement program make private investment in restoration a more attractive option.

#### **PROCESS**

The City should undertake an analysis of each of the homes to be considered for program inclusion. Certifications of the contributing nature of the structures will be required. In the case of the federal tax credit program, only income producing properties can participate while the state program allows owner occupied properties to participate. All restoration work will need to comply with the Secretary of the Interior's Standards for Rehabilitation. It is appropriate for the City to facilitate this program through provision of tax counseling and architectural assistance.

### **ARCHITECTURAL/INSPECTION ASSISTANCE**

The City should establish an architectural/inspection assistance program to help property owners with the identification of deficiencies that need to be addressed during restoration and that would provide architectural assistance in developing specifications and contracts with individual vendors that may be involved in undertaking the restorations. This service should be provided at no cost to owners and developers and tied to the tax abatement program and rehabilitation tax credits.

#### **PROCESS**

The program was previously described in the discussion of Old Southwest and will not be further described here.

### **NEIGHBORHOOD COMMERCIAL FOCUS**

The Hurt Park neighborhood has the vestiges of a neighborhood scale commercial area. However, as the neighborhood declined, this commercial area has also declined. The City has adopted village commercial concepts in the comprehensive plan and the Hurt Park commercial area seems to be ideally suited for development in this fashion. Coordination of the development of this commercial area at the same time that residential restoration is occurring will help to stimulate private interest in the neighborhood and ensure quicker success.



#### PROCESS

The preparation of amendment to the conservation/redevelopment plan should encompass commercial activities as well as residential. Once properties have been identified for either rehabilitation or acquisition, the City can take the appropriate steps to either provide funds from its CDBG or general funds to perform the necessary work.

#### INFRASTRUCTURE IMPROVEMENTS

Patterson Avenue provides an opportunity for the City to create an attractive boulevard entry to downtown. The width of right of way on this street appears to be significantly broader than that of most other comparable City streets and offers opportunities for a variety of streetscape applications, decorative lighting, installation of traffic calming features and appropriate signage. As in other projects, a visible indication of the City's commitment to making neighborhood improvements will provide the assurance that private investors need when considering investing in property improvements.

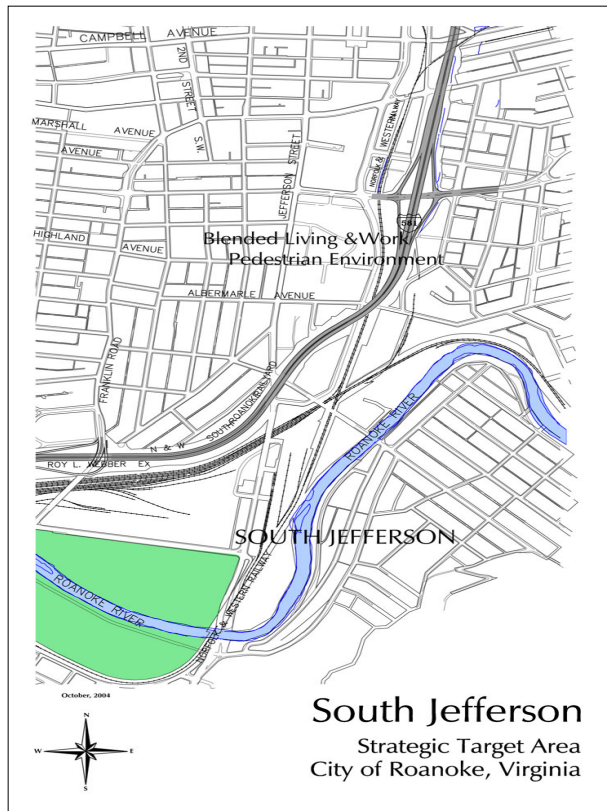
#### PROCESS

The City should develop a streetscape plan for the Patterson Avenue corridor that takes advantage of the wide right of way and includes landscape, decorative street lighting and signage to tie the neighborhood together. The implementation of the improvement program could encompass the use of TEA funds, VDOT maintenance funds, and City general funds.

## NEIGHBORHOOD STRATEGY 6 SOUTH JEFFERSON/BIO-MEDICAL DISTRICT

### GOAL

The goal of this neighborhood strategy is to integrate housing into the ongoing redevelopment of the area. The cultivation of a mixed-use area with some limited housing options to compliment the bio-medical activities that are being created will provide a diverse climate that is sought by those households returning to urban centers. The Audience for living in this area includes young professional, an eclectic mix of well-educated and highly motivated households of varying income levels, and a group of high-income, high tech and administrative managers and entrepreneurs. Use of the existing mixed use zoning district may accommodate appropriate development in this neighborhood.



### GEOGRAPHIC FOCUS

The area is the Jefferson Street Corridor, between Elm Avenue and the Walnut Street Bridge. This area is within a designated redevelopment area and the RRHA has made substantial progress in the acquisition of under-performing properties and clearance of derelict structures. The City may want to examine other portions of this neighborhood that would be suitable for residential uses. Housing within the redevelopment area is an objective of the plan.

The intent of this project is to provide opportunities for development of a bio-medical center in partnership with Carilion. The Riverside Centre for Research and Technology has the potential for providing 2,000 or more highly skilled and highly paid positions. The opportunity to provide residential space in conjunction with the biomedical campus and associated neighborhood commercial establishments is one that Roanoke must capture. This area will offer the chance to create a mixed-use village with a common theme focused on the bio-medical activities and should provide housing choices for the many employees who will be employed in the center as well as others who desire to live in this attractive location.

The type of resident who will be drawn to this area is apt to be more eclectic than typical city residents and willing and able to pay for a level of amenity that this inner city location can provide. A mix of housing types as well as retail, dining, entertainment, recreation and employment is vital to maintaining an urban flavor as this area develops. While there may be temptation to focus solely upon job creation activities in this area, it is important to have a truly mixed-use development if the area is to be active on a 24-hour basis.

Many examples can be pointed to in other communities where redevelopment projects have resulted in the creation of business or office districts that are deserted after regular working hours. Many of these same communities are now struggling to reinsert residential and retail uses into formerly mixed-use neighborhoods.

## **STRATEGY**

### **UPDATED VISION**

The City adopted a vision for the redevelopment of the South Jefferson area and used this vision as the basis for the redevelopment plan and the acquisition and demolition of several properties that are integral to the overall improvement of the community. Although the original impetus for the redevelopment was to promote and implement the development of the bio-medical industry, the vision should be regularly reviewed to determine where and when it is appropriate to include residential and commercial uses.

### **PROCESS**

The City should undertake a review of its original plans for the redevelopment of the South Jefferson area to determine the progress in implementation. To the extent that the opportunities for development are constantly changing, the City should consider amending its plans as conditions and needs change. The City should maintain continuous contact with Carilion to keep abreast of its plans and to encourage the aggressive marketing and development of the properties that are under Carilion control.

### **DEVELOP STUDENT HOUSING ELEMENT**

The continued growth and development of the College of Health Sciences results in a need for housing for these students. The logical location for this housing is adjacent to the teaching facilities and the hospital. Blending this housing into the design for the campus will assure adequate housing for the students, help to minimize the displacement of owner occupied housing that sometimes occurs around colleges and universities, and place the students in close proximity to the downtown features that would most likely be attractive to them. This will enhance the vibrancy and diversity of downtown.

### **PROCESS**

The City should maintain regular contact with the College to monitor plans for development and expansion. As the College makes its plans, the City needs to provide review and comment functions. The City should consider a partnership





with the College to create housing that would address the needs of the student population as well as other housing needs. It is important that the College understand the City's desire not to displace other residents of the City through competition from the student population. The College may want to consider financing residential construction with bond issues from either the RRHA or the industrial development authority in order to take advantage of their low interest rates.

#### **MIXED USE INCENTIVES**

The City needs an incentive program that encourages the use of this area for the development of mixed use development, including the bio-medical industry, retail, and residential all in attractive campus settings. Combining this program with Carilion's role as the developer will help to expedite the development.

#### **PROCESS**

The City should examine the role of incentives in the development process. While commercial and institutional development has been the focus of the South Jefferson project, there is a need to find ways to blend residential uses into this area. The City should explore ways of applying mixed use zoning districts into the identified focus area and to provide additional incentives in the form of tax incentives and other mechanisms to make residential development an attractive option.

## NEIGHBORHOOD STRATEGY 7 CITY SUBURBAN/NEO-TRADITIONAL NEIGHBORHOODS

### GOAL

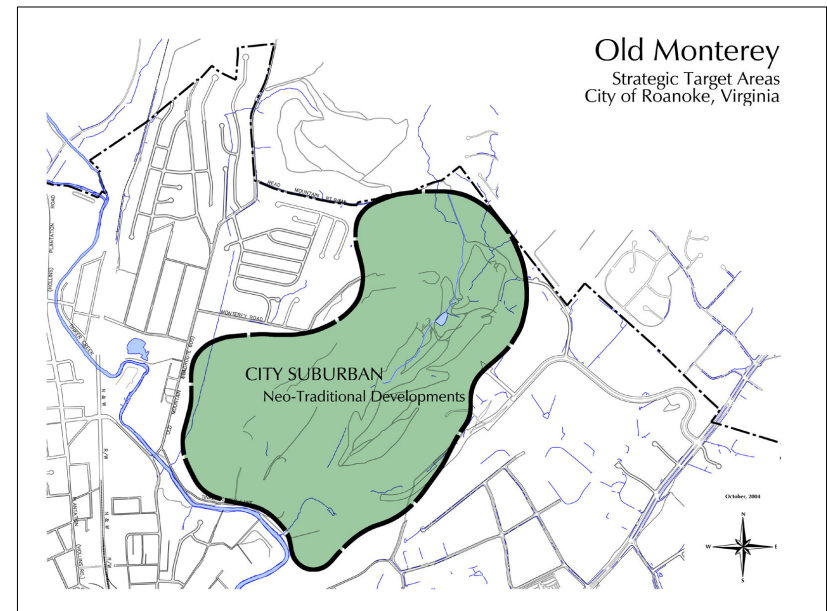
To develop a framework to both encourage and regulate the development of large tracts in a neo-traditional form, including village centers with retail and activity space as well as housing, all developed around a grid infrastructure that fits within the surrounding neighborhood. By virtue of having “green field” sites, these neighborhoods can be as diverse as the City and the development community would like them to be. A mixture of all types of housing and related commercial space is warranted in these developments.

### GEOGRAPHIC FOCUS

Initially, three golf courses, current or former, including the Fralin and Waldron site in South Roanoke, Countryside Golf course in northwest, and Old Monterey in northeast.

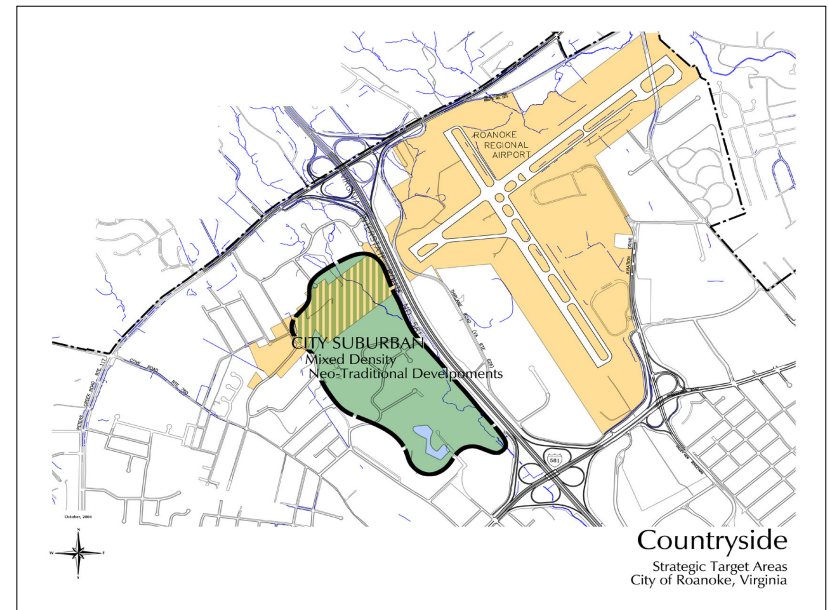
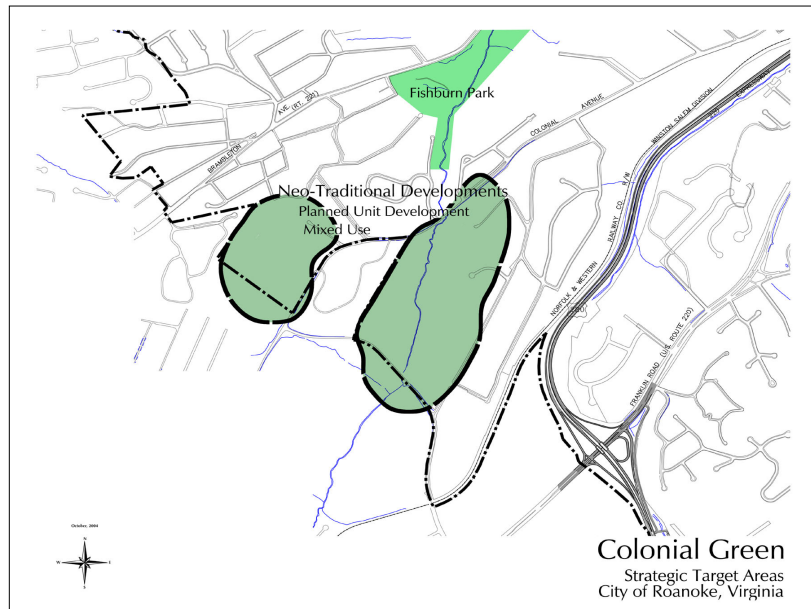
Large sites for new development are difficult to find in many cities without undertaking acquisition of existing homes and structures and without use of eminent domain powers and authorities. The City of Roanoke is no exception in that it is largely developed with few sites larger than one acre that do not already have structures or uses in place. The Commonwealth of Virginia has further limited the ability of cities to expand boundaries to acquire vacant developable land by the moratorium on annexation that has been in place for many years. In order to find larger sites that might accommodate larger projects, the City must look to underutilized properties.

The City contains a number of golf courses, some of which appear to be either closed or in a state of decline. These sites have become de facto Greenfield land banks and seem to lend themselves well to redevelopment as



something other than recreational facilities. Three particular golf courses appear to have potential for use as planned communities and have been identified as potential sites for such purposes. The sites have attractive land features that allow for vistas of the surrounding mountains; they are readily accessible from the existing road network, and they tend to be adjacent to other residential development. These include the Monterey Golf Club, the Countryside Golf Club and the Jefferson Hills golf course site. These are large tracts of land with attractive natural amenities that would lend themselves to planned, neo-traditional development. These areas need to be preserved for the type of residential development that the City desires rather than typical subdivision development.

Development of these three sites should be a private sector function. The sites are large enough that they should provide attractive opportunities for developers to create modern urban advantage type projects that would add greatly to the stock of new homes and business opportunities for those looking to locate in the Roanoke metropolitan area.



## **STRATEGY**

### **APPLICATION OF THE MXPUD DISTRICT**

The City is in the process of reworking its zoning ordinance. Included in the new and amended regulations is a mixed-use planned unit development district. These larger acreage tracts provide the ideal opportunities for application of these district regulations. The flexibility provided for developers and the ability to keep development out of environmentally sensitive areas through flexible designs offer the possibility for creation of attractive, competitive communities that should fit well in the market. The City should take the initial steps of ensuring that its comprehensive and neighborhood plans designate these areas for planned unit development. The zoning process can proceed on a case-by-case basis as market conditions dictate and support consideration of the use of these areas.

### **PROCESS**

The City's role in the creation of attractive, traditional communities on these sites is largely a regulatory role. The City needs to make its position clear to developers that its expectations are of development not of a suburban nature but more in keeping with an urban area. Through careful application of the planned unit development district regulations, the City can provide a basis for the desired development.







# CITYWIDE STRATEGIES

## CITYWIDE STRATEGIES

### COORDINATION OF ORDINANCES

The City has an array of regulatory processes that affect the development of housing. Some of these processes are handled as administrative functions while others are legislative in nature, specifically in cases of requests for rezoning. The City should consider the feasibility of expanding the single point of contact approach for all types of projects in order to maintain continuity and to move projects through the system in an expeditious manner. The proposed Zoning Ordinance provides a good example of the City's efforts to reconsider its ordinances and processes and consider efficiencies and process requirements as a part of its overall strategy. Periodic discussion with developers regarding process issues should become a regular part of ordinance review and revision.

### RETARGETING OF CDBG

HUD requires that 70% or more of the CDBG funds must be directed to serve LMI persons. This can be met in a variety of ways, including through the provision of necessary infrastructure in LMI neighborhoods. Directing the funds to meet infrastructure needs should be coordinated with other sources of housing dollars to meet the housing needs of LMI persons. The blending of median value and above housing into neighborhoods with LMI households helps to achieve the balance that the City desires and allows for the expenditure of federal funds for general neighborhood improvements. An effort to achieve higher levels of non-CDBG investment will help to increase the effectiveness of the programs.

### TAX ABATEMENTS

The City has utilized a tax abatement program for rehabilitated units since the 1980s. Tax abatements for renovation costs provide encouragement for investments on the part of homeowners. While the program was originally envisioned as a way to incentivize rehabilitation activity in certain low and moderate-income neighborhoods, its use in areas of higher valued homes helps to provide support of the maintenance of high quality neighborhoods as well. This program should be continued as an incentive for rehabilitation and new construction activity. It is prudent to examine the program for possible amendments in such things as the percentage increase in value as a qualification for participation, the possibility of including phased investment over a several year period, and the duration of the abatement as economic conditions change.

### ENHANCE ONE-STOP DEVELOPMENT/PERMITTING

The City has employed certain single point of contact programs to help individuals and developers through the planning and development process. This program could be enhanced through the provision of information about various City

programs directly to applicants, particularly such things as the tax abatement program, rehabilitation funding and design assistance, down payment assistance, and other programs that may need greater marketing attention.

### **INNOVATIVE HOUSING LOAN POOL**

Housing programs that are publicly supported most often deal with supporting housing activities for low and moderate-income owners and renters. The City should create a loan pool to provide funds for specific, targeted programs and neighborhoods using a combination of City and bank funds. City monies are most likely needed to fund loan loss reserves, in essence, enhancing the quality of the individual loans by reducing the lender's risk. The pooled funds would be made available to borrowers who might have difficulty in getting loan approvals in distressed neighborhoods or for unusual projects such as small-scale adaptive reuse. The funds could be administered through the City's Housing and Neighborhood Services office or through the RRHA.

### **DOWN PAYMENT ASSISTANCE PROGRAMS**

It is to the City's advantage to have its employees living within the City limits. Many employees, particularly in entry level, clerical, and service positions, have difficulty in finding affordable housing in neighborhoods where they want to live. The City's Mortgage Assistance Program (MAP) is available for municipal employees, and other citizens who meet certain income requirements. Another City housing program emphasizes assisting police officers with housing. However, beyond these positions, the City should encourage all of its employees to live within the city limits regardless of income or position. The City should consider expanding the MAP, or some variation thereof, to provide a down payment assistance program that is available to any income eligible employee for the purchase of homes occupied by the employee(s). Similar to MAP, the assistance would be in the form of a loan, with an amount amortized for each year that the employee remains in a City position. Should the employee leave before full amortization, or should the employee sell the home before the expiration of the amortization period, the remaining pro-rated balance would become due and payable. This program would set an example for other major employers within the City. The success of this program would be seen in the expansion of the middle class in the urban setting.

### **ENFORCEMENT OF BUILDING CODES**

Typically, code enforcement occurs on a complaint driven basis except in certain designated areas where the City has active conservation or redevelopment programs. The City has a Rental Inspection Program (RIP) that provides for inspections of residential rental units within a Residential Inspection District every four years. Also, the City can inspect rental units outside these districts as a result of a tenant complaint. The City should consider expanding this program to require inspection and upgrading of homes to meet property maintenance code whenever a building goes unoccupied for 60 days or longer as evidenced by a disconnected utility – electric, gas, water or sewer.





## MARKETING THE CITY OF ROANOKE

While the City of Roanoke has a marketing program, it should expand its efforts to create more visibility to economic development interests, residents, and tourists, as a preferred place of residence. While most of the housing market activity appears to come from within the metropolitan area, it is still important to try to entice those area residents who are considering a change of residence to consider the City. This marketing effort needs to address particular issues and focus on particular demographics. Marketing programs need to involve all of the agencies, departments, and authorities that serve the City, including the City Council and its staff and departments, the Roanoke Redevelopment and Housing Authority, the Roanoke School Board and others.

## ADDRESS SCHOOL ISSUES

Public inner city schools in many urban areas have come to be viewed as inferior to suburban schools. In the Commonwealth of Virginia it is easy to see how citizens may draw this conclusion by simply viewing the individual school "report cards" developed and available on-line through the state department of education. These generally show:

- ⊕ Inner city schools generally have more incidents of physical violence than do suburban schools
- ⊕ Inner city schools generally do not have as high a percentage of students taking advanced classes, as do suburban schools
- ⊕ Inner city schools generally do not have graduation rates as high as suburban schools.
- ⊕ Inner city schools generally do not have SOL and standardized test scoring and passing rates as high as suburban schools.

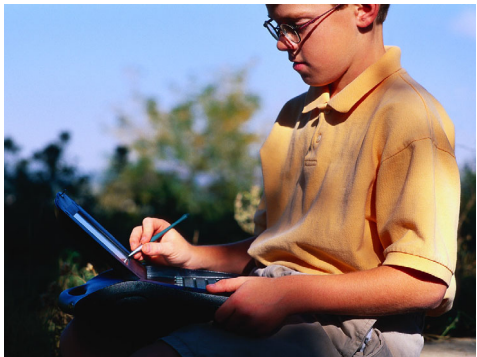
As citizens who have the ability to have housing choices choose to live outside the city, these factors become progressively worse. So how can the City of Roanoke reverse this trend?

## ACCENTUATE PHYSICAL ATTRIBUTES OF SCHOOLS

The City of Roanoke has made significant investments in maintaining and improving the physical plants of its schools. Schools have regularly been modernized and upgraded. Classrooms are generally not overcrowded and students are housed almost entirely within the primary school buildings and not in temporary modular classrooms. This is not always the case in the growing suburban schools where increasing enrollments is frequently a problem. Roanoke needs to use this position to an advantage.

## EMPHASIZE NEIGHBORHOOD SCHOOLS

Most of the City schools at the primary and middle school grades are neighborhood schools. These schools service particular communities and are within walking distance of a great number of the pupils. Neighborhood schools have certain advantages, including:



- ⊕ Foster the independence of students by not always requiring parents to drive children to school and school events.
- ⊕ Allow for greater after school participation by students.
- ⊕ Parents can be more involved because travel times are shorter.
- ⊕ The neighborhood takes more pride in its school.
- ⊕ Students can get more personalized attention in smaller classrooms.
- ⊕ The scale of the school is friendlier than larger, suburban schools.
- ⊕ Neighborhood schools are frequently anchors in their communities.

### **DEVELOP MORE MAGNET SCHOOLS**

Many communities have been successful in attracting a greater number of middle and upper middle-income students by fostering magnet school concepts. Schools can be “themed” by providing specialties that are not offered in all schools. Themes might include math and science, performing and fine arts, social studies and international studies, and the like. Enrollment at these magnet schools is done by application and blends students of all backgrounds and income levels and is not necessarily related to where students reside within the city.

### **CREATE PUBLIC RELATIONS CAMPAIGNS**

Most people get their information about the school system from the news media. This means that their perceptions are event based, frequently events that are not good news. The good news stories are often relegated to the human-interest part of the newspaper or the bottom of the television news hour after many viewers have already drifted away. The school system must become an advocate for its news, creating opportunities to bring the public and reporters into the schools to see the good things that are happening.

### **TARGET PROSPECTIVE RESIDENTS**

The school system in the City of Roanoke should develop a marketing piece that is available for distribution by realtors. This brochure should include information about special programs, emphasis on neighborhood/parental involvement in the schools, small class size and other features that would be attractive to families. This brochure should not be a statistical report but something that appears welcoming and open.

While school perceptions are difficult to change, gradual shifts in the public attitude will eventually result in a more diverse family blend returning to the inner city.



### **ATTRACTING ACTIVE SENIORS**

Active seniors, those who are retired or of retirement age, are a growing segment of our population. By the year 2020, the Census Bureau projects that nationally, more than 16% of the total population will be over 65 years old. This is an



increase of 29% over the 2000 demographics. Roanoke already exceeds the national average, with 16.39% of the 2000 population being 65 years of age or older and will continue to be a location for seniors, with more affordable housing and highly developed services. The challenge for the City of Roanoke is to attract a group of seniors with higher incomes than many of the current senior population. These households will generally tend to be in better health than prior generations, will have significant resources to support their retirement years, and will expect to continue to have very active lifestyles. There are several major factors that will determine where these households will reside, including:

- ⊕ A home with two or three bedrooms, perhaps with office space or designed for office use, and two or more bathrooms, all located on a single level.
- ⊕ A home with a feeling of spaciousness and certain upgraded features.
- ⊕ A home with limited exterior or no exterior maintenance requirements.
- ⊕ Proximity to daily living needs
- ⊕ Proximity to cultural, recreational, and social activities.
- ⊕ A feeling of personal safety.

Though some active seniors will choose to segregate themselves in communities that support only seniors, others will choose to live in more diverse, blended neighborhoods and settings. It is this second group that would be most attracted to Roanoke, though opportunities for both groups should be identified and accommodated within the City.

#### **IMPEDIMENTS TO MEETING NEEDS**

The City of Roanoke has certain impediments to meeting the needs of active seniors as expressed above. These impediments include:

- ⊕ A small inventory of appropriately designed, high quality, low maintenance dwelling choices citywide.
- ⊕ Few residential choices close to downtown or neighborhood commercial centers and amenities.
- ⊕ A concern that the City may be more dangerous than the suburbs.
- ⊕ A lack of understanding by the public of the variety of amenities that living in the City of Roanoke offers
- ⊕ Walkability away from traffic
- ⊕ Access to convenient public transit with minimum transfers and frequent service
- ⊕ Opportunities for socializing with other seniors

#### **STRATEGIES TO OVERCOME IMPEDIMENTS**

The City can address many of these needs and impediments within the various strategies that are presented in other sections. Many of the particular needs of this cohort will be met through private market forces, especially the higher value homes. This change will be a dynamic force within the market and has the potential of providing new opportunities, both in new construction and in the adaptive reuse of structures.



## SPECIAL NEEDS HOUSING STRATEGIES - UPSCALE LIFE-CARE FACILITIES

Life care facilities for high-income seniors are a very attractive type of development for urban communities. Residents of these communities often seek the amenities of social activity as well as proximity to excellent health care facilities, in-room services, a continuum of care, shopping, an attractive environment, pleasant climate, and good access

In addition to addressing the needs of those who can afford to pay market rate housing expenses, the City needs to examine the large number of aging, owner occupied homes that are occupied by elderly residents. In many cases, these units do not meet the physical needs of the owners but the owners have few options for alternate housing. These special housing needs may need to be addressed through designed independent living facilities, assisted living facilities, and ultimately skilled care facilities. A major impediment to these residents moving to appropriate housing is limited income and the relative high cost of specialized housing.

## ATTRACTING YOUNG PROFESSIONALS

Perhaps the most challenging group to try to attract to Roanoke are the young professionals. The urban setting of the downtown area, with its restaurants, clubs, performance space, galleries and eclectic feel would seem to be a magnet for young college graduates and those without children who want to be close to the amenities that are so readily available. This group is most interested in the following characteristics when making a residential decision:

- ⌘ Proximity to social activity, including dining, entertainment, recreation, health clubs, and bars
- ⌘ Interesting interior space, particularly in adaptive reuse settings
- ⌘ Proximity to work and play
- ⌘ Affordability
- ⌘ Access to other young professionals

## IMPEDIMENTS TO MEETING NEEDS

A major impediment to the attraction of young professionals is a seeming lack of new job creation. County Business Patterns reports that between 1990 and 1997, the rate of job creation within the city was approximately 200 new jobs per year. If 1/3 of these jobs are white-collar positions and young professionals desiring to live within the City limits fill 1/3 of these positions, the total target pool would be 22 persons or household per year. Economic development is clearly tied to attracting young professionals to reside in the City. As job creation has accelerated in the suburbs, more of these potential residents are both living and working out of the City, coming into the urban area only for recreation and cultural activities.

Other impediments include:

- ⌘ A limited inventory of suitable, affordable housing, either for rent or for purchase
- ⌘ Limited recognition of the City as a vibrant, urban area by college students



## STRATEGIES TO OVERCOME IMPEDIMENTS

This segment of the population should be attracted to many of the housing opportunities that will be created by the implementation of strategies presented in other sections of the plan. Particular development, such as the conversion of industrial and commercial facilities to residential will appeal to this cohort. However, a major challenge will continue to be related to job creation. Without significant job growth, the workforce will decline in the City and those workers entering the workforce will have fewer reasons to consider living in the City of Roanoke.

Affordability concerns are also an issue for young professionals who are more frequently in entry-level positions with lower salaries than they will receive in later years. For these residents, attractive rental options are more desirable. As neighborhood programs are developed and implemented, the City needs to ensure that an appropriate share of new housing is available for young professionals in the form of rentals and first time homebuyers.

## ATTRACTING EMPTY NESTERS

Empty nesters are generally households where there are no children present on a permanent basis and where the household is in its peak earning years. These individuals have had varied backgrounds, are well established in the community, and have eclectic tastes that cover a wide range of styles and sizes of homes. Although traditionally households in this category have been thought of as wanting to downsize, trends in the housing market of recent years and the rapid rate of increase in housing values have provided opportunities for some empty nesters to utilize a move to a larger, upgraded house as a major investment for future sale as they approach retirement. These households are more apt to think of housing from the standpoint of convenience and value rather than having a set list of needs. Two different sets of factors are developed below to describe empty nesters.

## CONVENIENCE HOUSEHOLDS

These households seek a smaller home that will require only as much effort in maintenance as they are interested in providing. They want:

- ⊕ 2 to 3 bedrooms with 2 or more bathrooms
- ⊕ An upgraded kitchen for more elaborate cooking
- ⊕ A two car garage
- ⊕ Central air conditioning as well as heat
- ⊕ Reduced outdoor maintenance requirements
- ⊕ A secure home and neighborhood that can be left for periods of time in order to travel, socialize, and work
- ⊕ Access to convenience goods close to home; other goods and services within driving distance and convenient access to employment and activities



## IMPEDIMENTS TO CONVENIENCE ORIENTED HOUSEHOLDS

The primary impediment to these potential households is a limited stock of units. Many of the units that are on the market in the City are single-family detached units that require significant upkeep and limited opportunity for conversion to multi-family units. Many of the units that have been converted to multi-family residency are not done as upscale units but rather target low-income persons seeking little more than a rooming house.

Additional impediments to attracting these households include a lack of village centers that provide the convenience goods at reasonable distances. Even the downtown area has very limited commercial diversity in areas other than restaurants and cultural activities.

## INVESTMENT HOUSEHOLDS

These households are intending to use their house as a supplemental investment to be able to finance their retirement. They are willing to purchase significantly larger homes than their household size would seem to indicate and they generally are looking for something where the appreciation in value exceeds that of the market as a whole.

Features that are desirable include:

- ⊕ 4 or 5 bedrooms and 3 or more bathrooms
- ⊕ Two car garage or larger
- ⊕ Upgraded materials throughout the house
- ⊕ A house setting that makes a statement

## IMPEDIMENTS TO INVESTOR EMPTY NESTERS

As in the case of the convenience-oriented empty nesters, the primary impediment to these empty nesters is the lack of sufficient housing choices. Recent developments have filled a portion of this demand through such developments as Southwood.

## STRATEGIES TO OVERCOME IMPEDIMENTS

Many of the neighborhood strategies will address the needs and desires of the empty nesters. Because the empty nester cohort is apt to have more income to devote to housing expenses, those actions that can address housing quality are apt to be most effective. This includes:

- ⊕ Application of appropriate and comprehensive design guidelines for new construction
- ⊕ Application of mixed use/planned unit development guidelines that result in the creation of quality neighborhoods with residential, commercial, and recreational opportunities
- ⊕ Encouraging of adaptive reuse in the downtown area and the creation of quality ownership and rental opportunities
- ⊕ Developing a balance between neighborhood concerns and involvement and the needs of the development community in undertaking the permitting process



- ⊕ Encourage the development of neighborhood commercial establishments in the center city, including grocery stores, drug stores, and service stations

In many instances, the needs and desired amenities of the various market groups are very similar, varying only by the size of the house, the level of individual maintenance effort required, and the inclusion of specialized features, i.e., handicapped accessibility and others. The development of neighborhoods that include features to attract multiple age and income groups will result in the continuation of a vibrant, diverse, urban setting.

The City is currently applying a new way of stimulating housing development. The Colonial Green project is using a development by proposal process for the development of a City owned tract of land as a mixed-use housing project. The City may want to consider undertaking more projects in this manner. This method of development would have applications for the development of properties owned by the RRHA and by non-profit organizations and institutions as well. Development of this type has applications to the broader housing market, not just for empty nesters.

## EXAMPLES OF MARKETING TOOLS

The City needs to develop more avenues for reaching its various prospective residents in order to sell the attributes that make Roanoke an attractive location. Developing a public/private partnership to provide an interactive web site is one readily available tool that is used successfully in many communities, tying together information about neighborhoods, housing, schools, housing programs, cultural opportunities and even homes available for sale or rent. The City of Baltimore coordinates one such site at [www.livebaltimore.com](http://www.livebaltimore.com) that provides a wealth of information and a variety of links that gives the web visitor the ability to visit the City and know its neighborhoods and housing opportunities without having to leave their home or office.

The Urban Redevelopment Authority of Pittsburgh, Pennsylvania provides a web page at [www.ura.org](http://www.ura.org) that provides a very user-friendly presentation of a current redevelopment project. This type of format might be appropriate for marketing the South Jefferson area in Roanoke.

Both the City of Richmond, Virginia and the Oakland Redevelopment Partnership in Pittsburgh, Pennsylvania maintain web pages that provide specific housing information about houses that are available for rehabilitation/purchase and new infill construction.

The Norfolk Redevelopment and Housing Authority in Norfolk, Virginia provides concise, descriptive information about programs for both LMI and market rate housing on its website at [www.nrha.us](http://www.nrha.us). Of particular interest is its rehabilitation assistance program for market rate clients.





# FUNDING STRATEGIES

## FUNDING SOURCES

As stated in the early part of this plan, changes in the housing market will occur only through the sustained participation of the private sector. Private dollars will always outweigh public dollars. However, the public funding is important to initiate many new programs, accelerate existing development trends, and invest where no private investment is possible. Public participation in housing, particularly private housing, must be selective, strategic, and significant enough to create interest among private investors and spur their participation. A variety of financial tools are required, including the use of grant funds, tax credits and abatements, general fund commitments, loan programs, and private foundations. The following summary of possible funding sources is not all-inclusive, but merely provides a range of methods that the City may choose to use.

### COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

The City of Roanoke is classified as an Entitlement Community under the guidelines of the U. S. Department of Housing and Urban Development. As such, it receives an annual appropriation of funds that can be used for eligible projects that provide a low- and moderate-income benefit of at least 70%.

The national program objectives for the program are:

- ⌘ Programs that benefit low- and moderate-income persons
- ⌘ Programs that aid in the prevention or elimination of slums and blight
- ⌘ Programs that address community needs having a particular urgency

While most of the strategies contained in this document are not directed specifically at low- and moderate-income beneficiaries, many of the strategic neighborhoods are predominately LMI and would potentially qualify for application of CDBG funds, particularly for infrastructure improvements.

### CREATION OF LOAN POOLS

The creation of public/private loan pools is a way of directing funds to those projects and applicants that might not otherwise qualify for loans, either because their incomes are too high for low- and moderate-income qualified programs, or because their incomes or the property involved do not meet normal underwriting requirements. By combining public funds with private funds, the underwriting standards can be met through a lessening of risk to the private lenders.

## REHABILITATION TAX CREDITS

The tax credit program administered in Virginia by the Department of Historic Resources reduces the income tax liability of taxpayers dollar-for-dollar if the taxpayer rehabilitates a Certified Historic Structure (CHS). The federal government defines a CHS if it is either:

Individually listed on the National Register of Historic Places, or

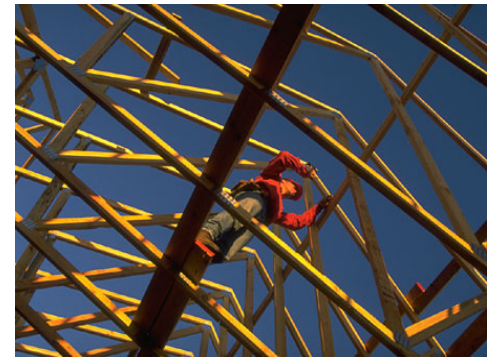
- ⊕ Certified as contributing to a district that is so listed.
- ⊕ The Commonwealth of Virginia defines a CHS as one that is:
- ⊕ Individually listed on the Virginia Landmarks Register, or
- ⊕ Certified as eligible for listing, or
- ⊕ Certified as a contributing structure in a district that is so listed.

Most properties in Virginia are listed on both registers. The federal tax credit program provides a 20% credit on all eligible rehabilitation expenses while the state program provides a 25% credit. The federal government also allows a 10% rehabilitation tax credit for buildings constructed before 1936 but are not Certified Historic Structures. These buildings must be used for non-residential purposes and meet external and internal wall retention tests set forth by federal regulation. In addition, the structure may not have been physically moved from one site to another location. All rehabilitation work for the entire project must comply with the Secretary of the Interior's Standards of Rehabilitation in order to qualify for either the federal or state tax credits. In addition, the federal tax credits may only be applied to an income-producing structure, whether that use is residential, commercial, or industrial. The state tax credit may be used either for income-producing or owner-occupied structures.

Rehabilitation tax credits can be utilized by both homeowners and investors but are frequently used in adaptive reuse projects. In many cases, an adaptive reuse project's financial viability depends on the application of tax credits. The City should promote the use of Rehabilitation Tax Credits to generate interest in the development community and consider developing a preliminary pro forma for a targeted structure as an example of the benefit derived from the application of tax credits.

The application for Rehabilitation Tax Credits is a three-part process.

- ⊕ Designation of the property as 'historic' or 'contributing.'
- ⊕ Certification of the proposed rehabilitation work as consistent with the Secretary's Standards for Rehabilitation.
- ⊕ Certification that the completed rehabilitation work is consistent with the Secretary's Standards for Rehabilitation.



## **TAX ABATEMENT PROGRAM**

The City has a tax abatement program that has been in place since 1981. This program was originally designed to encourage the rehabilitation of declining structures in distressed neighborhoods. The program eligibility guidelines include, among other provisions:

- ⊕ Structures must be 25 years or older
- ⊕ The increased value due to the improvements must be 40% or greater of the pre-improvement value for residential properties
- ⊕ The renovation cannot result in more housing units than pre-renovation
- ⊕ New construction must result in a unit that is valued at 120% or more of the median neighborhood value

Qualifying properties are eligible for an abatement on 100% of the additional value created for 5 years on all properties and 10 years on historic properties.

While this program is available citywide, the Old Southwest neighborhood has been the location of most of the application activity. This is not surprising, as this neighborhood appears to have the highest percentage of renovation activity anywhere in the City.

The City should market this program more aggressively in hopes of spurring more activity in the strategic neighborhoods as well as general investment in housing improvements citywide.

At the same time that the City works on marketing the program, it should consider amendments that will result in greater usage. Possible amendments include:

- ⊕ Reducing the percentage of value requirement from 40% to 30%. The rationale for this is to broaden participation at a time when many housing values are increasing at faster rates and many homeowners cannot afford to undertake renovations of the magnitude required to participate; however, they still wish to make improvements of a nature that will result in substantial neighborhood improvement.
- ⊕ Increasing the abatement period by 5 years, with the last five years being applied on a declining value basis of 20% per year.
- ⊕ Increase the new construction value threshold from 120% to 125% to modestly increase the values of these neighborhoods.

## **CITY GENERAL FUND EXPENDITURES**

The City always has the authority to make investments in public improvements. Funds for such things as streets, curbs, gutters, sidewalks, street lighting, signage, landscaping and other improvements clearly involve general fund expenditures to the extent that VDOT funds and other state and federal funding sources are insufficient to cover these costs. However,

the City will need to go beyond these types of expenditures if it is going to make a significant change in the housing market. Funds will be needed to create loan pools, to supplement CDBG and other grant programs, to provide direct funding assistance to the agencies or organizations that are requested to implement programs, and to pay for the cost of administration of programs.

## **SOLICITATION FOR DEVELOPMENT**

There are certain types of housing, particularly in the categories of independent living and assisted living for the elderly that may be implemented with private investment through a solicitation process. There are numerous for-profit (Marriott, Hyatt) and non-profit (Westminster Canterbury) organizations that provide these types of living accommodations that may be interested in locating in the City if land could be provided. The City may need to assemble the land and provide other incentives for these organizations to consider coming to Roanoke, but the economic advantages of having this type of development are numerous.

## **JOINT DEVELOPERS RISK SHARING**

The City of Roanoke appears to have a community of realtors and developers that is involved and interested in improving the housing market at all levels. While individual developers may be hesitant to commit the resources to undertake housing projects in unproven areas, there may be more interest in participating in innovative projects if there were multiple developers involved and no one developer would have to shoulder the entire burden. The various developers could band together or create of a profit or non-profit organization to undertake a project. The City should facilitate such an arrangement in cooperation with the homebuilders association and board of realtors.

## **VHDA FINANCING OPPORTUNITIES**

There are a number of VHDA programs that reach well into the price band discussed earlier. These programs offer opportunities for homebuyers to purchase homes with little or no down payment, with minimal closing costs, and with quick approval times. An example of a program that would fit the desired type of housing is the Flexible Alternate 100 program whereby a borrower with an income of \$94,000 and a household size of 4 could borrow \$300,000 to acquire an existing home with no down payment and no requirement for mortgage insurance.

## **HOW MUCH CAN THE MARKET BE MOVED?**

The Roanoke metropolitan area will be the primary market on which the City can expect to draw its housing and population shifts over the next 10 years unless there is some mass change in the economy. An aggressive campaign to market the City of Roanoke as the housing destination of choice for those desiring an urban advantage lifestyle can result in bringing approximately 3,350 identified households during the next decade. These households are drawn from the



identified “Prizm” segment households as shown on the attached table. If the City is successful in this effort, it should see a net gain of housing units of 3% and a net increase in population of approximately 2,400 persons.

This number will not be easily achieved, nor is it advisable to be measured on a year-to-year basis. Larger projects involving 20 or more units will probably be few in number and will probably occur in phased projects.

#### TARGET MARKET HOUSEHOLDS FOR ATTRACTION TO CITY NEIGHBORHOODS 2005 - 2015

“Prizm” Segment Households	In Roanoke Today (% of region)	Target for 2015 (% of region)	Target Increase
Segments with Currently Strong City Presence			
Movers & Shakers	1,695 (52%)	2,122 (65%)	427
Settled In	6,398 (57%)	7,633 (70%)	1,235
	<b>8,093 (57%)</b>	<b>9,755 (69%)</b>	<b>1,662</b>
Segments with Stronger Presence Outside City			
Established Wealth	8 (1%)	109 (10%)	101
Mid Life Success	289 (13%)	453 (20%)	164
Comfortable Times	82 (7%)	185 (15%)	103
Home Sweet Homes	254 (4%)	635 (10%)	381
Great Beginnings	657 (12%)	1,099 (20%)	442
	<b>1,290 (8%)</b>	<b>2,481 (15%)</b>	<b>1,191</b>
Other Segments	<b>497</b>		
Total Target Households, 2005-2015			3,350
Net New Units @ 40%			1,340
Replacement Units @ 60%			2,010
Net population gain @ 1.8 persons per household			2,410
Approximate net increase in housing units (1,340/46,000)			2.9%

#### CITY COMMITMENTS

The cost of achieving the kind and level of change that is suggested in this plan will require a commitment of City funds beyond that what is being made at the present. However, the benefits that can be derived from this commitment will outweigh the costs and will result in lasting benefit to the City and its constituents.

Commitments will be required in terms of patience on the part of the policy makers to work with neighborhoods until there is private activity sufficient to sustain ongoing change. Additional funds will be required to provide for loan loss funds to expand the rehabilitation loan program. In some instances, the success of programs will result in a need for additional staff.



DATA ANALYSIS

## INTRODUCTION + BACKGROUND TO DATA ANALYSIS

Roanoke is a city of some 95,000 residents, according to the 2000 Census,<sup>1</sup> that experienced a small population decline after the 1990 Census of about 1,500 (-1.5%). But the city's housing inventory actually increased by almost 900 units during the 1990s (+2.0%),<sup>2</sup> so the average population per housing unit declined slightly from 2.17 to 2.10. That is, more housing was needed for fewer residents, a common trend throughout the United States.

As it turns out, construction of housing in the City of Roanoke during the 1990s totaled about 1,950 units. While the total housing stock increased by about 900 units, another 1,050 units were effectively "replaced" as older units were eliminated and new units created. This demonstrates that Roanoke is a more dynamic housing market than might otherwise be apparent where replacement construction is taking place along with net new growth.

But Roanoke has been trailing the rest of the Roanoke Valley in some key housing measures.

Roanoke County added a net of 4,400 housing units during the 1990s plus 1,160 replacement units. Botetourt County added a net of almost 2,800 units plus 350 replacements. Dynamics of the housing market are markedly stronger outside the city, although the "replacement" market is relatively strong in the city.

About 56% of city housing units are owner-occupied while 77% of Roanoke County's housing is owner occupied. The metropolitan average is 68.5%, essentially the same as the national average.<sup>3</sup>

The average selling price of a home in the city in 2003 was \$121,700, only about three quarters the average price of \$164,000 in Roanoke County and only just over half of the average of \$216,100 in the rest of the metropolitan area.<sup>4</sup> The overall metropolitan average was \$163,800, more than one-third higher than the city.

The City of Roanoke homeowners pay an average of 17.7% of their income to support owner occupied housing costs (mortgage, utilities, etc.). This is the highest of the major jurisdictions in the region (17.2% in Roanoke County, 16.7% in Salem, 16.6% in Botetourt County). Homeowners in 12 of the city's 23 census tracts pay higher than the city average for housing costs.

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<sup>1</sup> Actual 2000 Census count was 94,911. In 1990, the population was 96,397.

<sup>2</sup> Housing units increased from 44,384 at the 1990 Census to 45,257 in 2000.

<sup>3</sup> Going into the 2000 Census, the Roanoke metropolitan area consisted of the City of Roanoke, Salem, Roanoke County, and Botetourt County. This is the basis for most of the data in this report. After 2000, Franklin and Craig Counties were added to the official definition of the metro area.

<sup>4</sup> 2003 sales price information provided by the Roanoke Valley Association of Realtors.

Renters in Roanoke pay an average of 24.3% of their incomes to support housing costs, compared to 21.6% in Roanoke County and 23.4% for the metro area as a whole. Renters in 13 of the city's 23 census tracts pay more than the city average.

Per capita income (2000 Census) in Roanoke was \$18,500, about three-fourths of the Roanoke County average of \$24,600 per person and only about 87% of the metropolitan average of \$21,600.

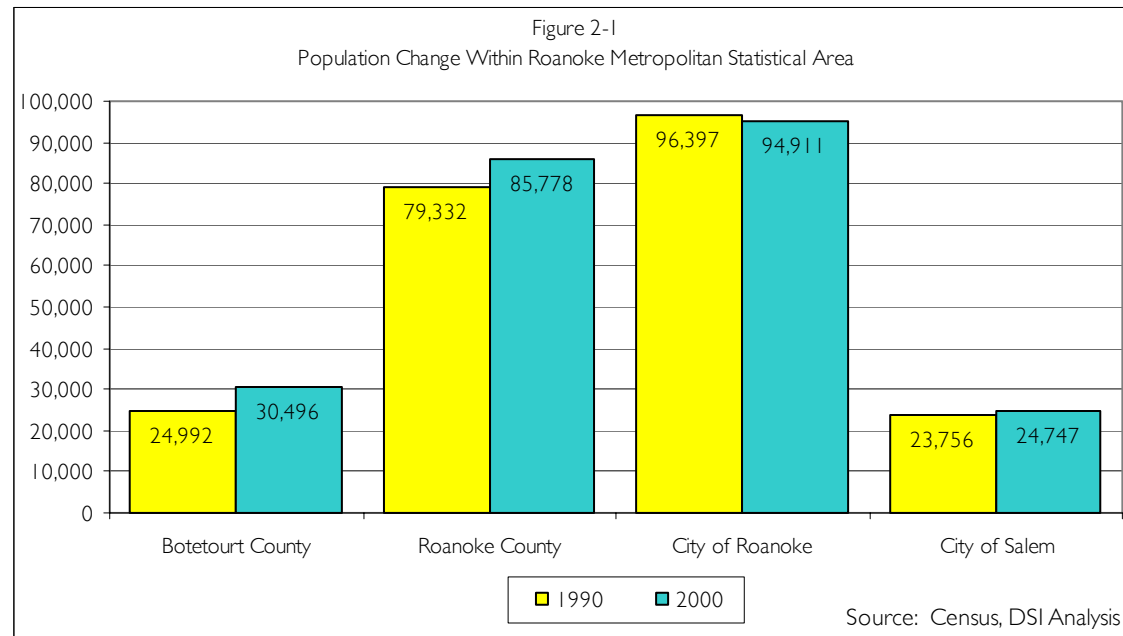
The City of Roanoke, in short, seems not to be a "fair share" participant in the regional housing market, and an important part of this imbalance is the lower average incomes of city residents. That is, not only are housing measures weighted toward lower prices, lower rents, fewer owner occupants, and more renter occupants, but also the relative wealth to support higher valued housing is markedly lower than the metropolitan norm. Moreover, residents of Roanoke bear a disproportionate share of housing costs relative to income.

Such patterns have encouraged city officials to pursue preparation of a housing strategic plan. The key objective of the plan is to identify means for diversifying the housing stock and the occupants of that housing to assure that Roanoke remains competitive in the marketplace in all value ranges while offering housing options to the widest possible range of residents.

This report on market opportunities for housing diversification in The City of Roanoke is the first of two major steps in that strategic plan. The assessment and conclusions of this report will form the basis for the second phase where specific strategic actions will be recommended. But actions for future changes cannot be developed without a good understanding of market conditions that frame the housing prospects that the city might pursue. This report is intended to provide that understanding.

## DEMOGRAPHIC TRENDS OVERVIEW

According to the Census Bureau, the population of the Roanoke MSA<sup>5</sup> grew by 5.1 percent from 224,500 in 1990 to 235,900 in 2000<sup>6</sup>. The population changes for the components of the MSA are illustrated in Figure 1. While the overall population of the Roanoke MSA grew between 1990 and 2000, the population of The City of Roanoke decreased 1.5 percent.



<sup>5</sup> Technically “metropolitan statistical area” or MSA, consisting of the City of Roanoke, Roanoke County, City of Salem, and Botetourt County. Franklin and Craig Counties were added after the 2000 Census.

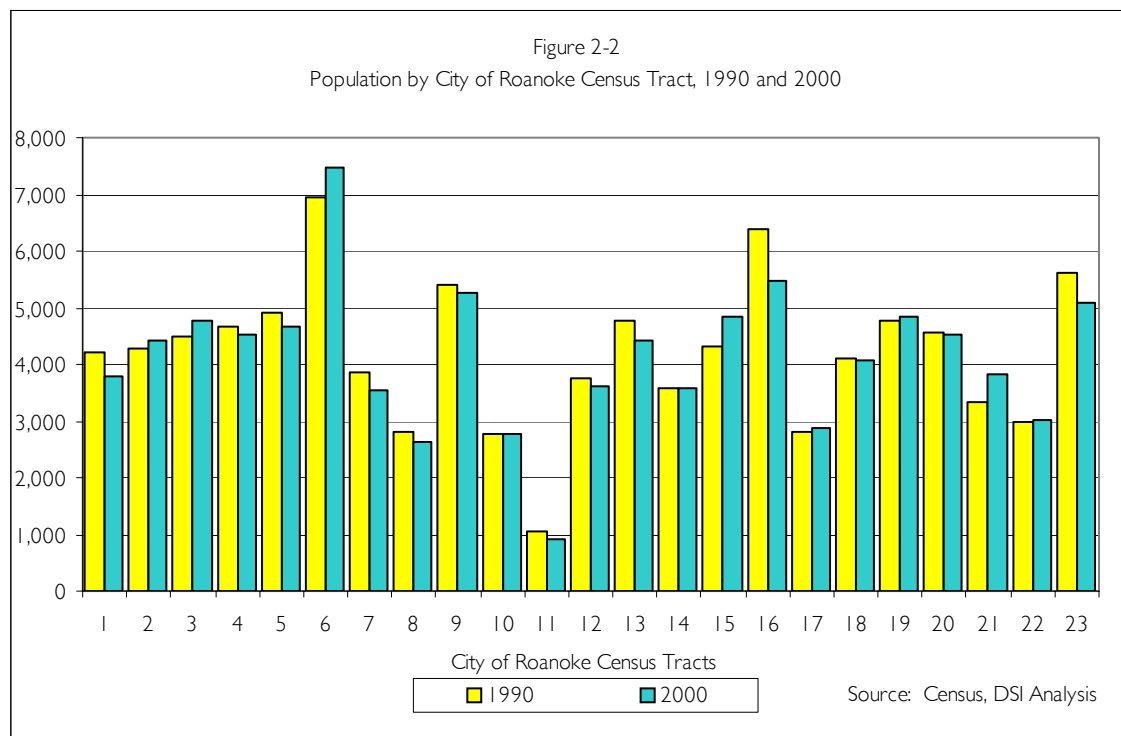
<sup>6</sup> As a point of comparison, between 1990 and 2000 the population of Virginia increased 14.4 percent, from 6,187,400 in 1990 to 7,078,500 in 2000, and the population of the United States increased 13.2 percent, from 248,710,000 in 1990 to 281,422,000 in 2000.



The population analysis, the 1990 population for the revised MSA increases from 224,500 to 268,400 and the 2000 population increases from 235,900 to 288,300, thus, bringing the total revised MSA. When the population of Franklin and Craig Counties is included in population increase to 7.4 percent.

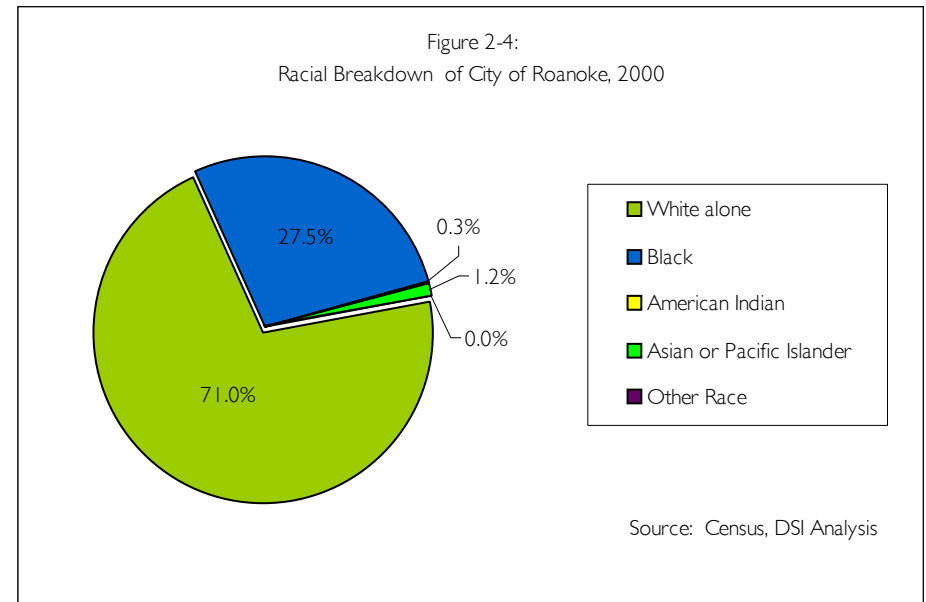
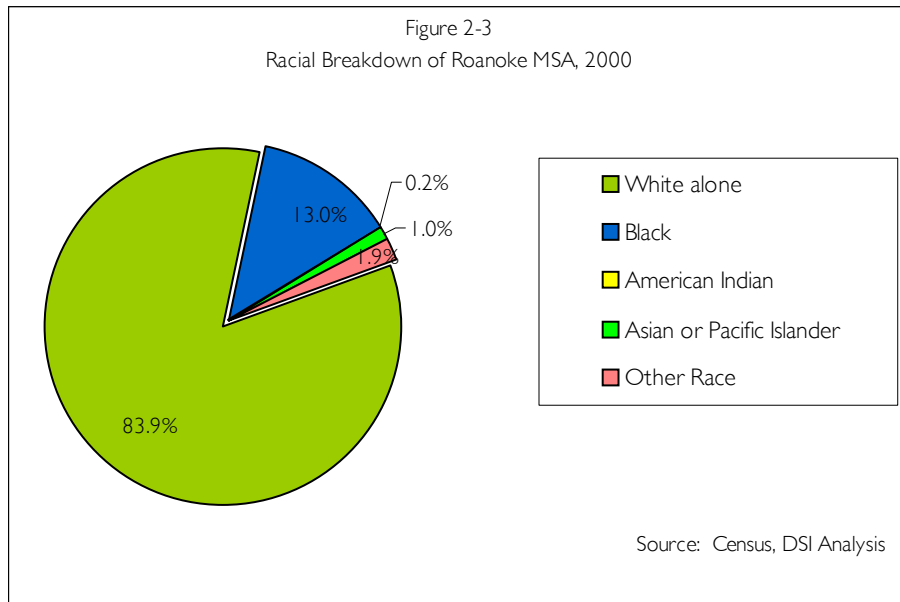
The majority of the 23 census tracts in The City of Roanoke (shown on the following map) experienced population decline between 1990 and 2000, as seen in Figure 2-2. The greatest rate of decrease in population was in census tract 16, in south Roanoke, which had a 14.2 percent population decline from 6,383 residents in 1990 to 5,475 residents in 2000.

Census tracts 2, 3, 6, 15, 17, 19, 21 and 22 experienced growth during the same ten-year period; all are located away from the central core of The City of Roanoke. Census tract 6, in northeast Roanoke, is the most populous tract in the city and increased its population with a 7.5 percent rate of growth—essentially the same growth rate as the MSA—from 6,950 in 1990 to 7,468 in 2000.



The racial breakdown of the Roanoke MSA is provided in Figure 2-3. In 2000, 84.6 percent of the population was white, with 13.1 percent black and the remaining 2.3 percent being American Indian, Asian, or Pacific Islander in ethnic origin.

In 2000, the Virginia had a racial breakdown of 72.3 percent white, 19.6 percent black, 0.3 percent American Indian, 3.7 percent Asian or Pacific islander, and 4.2 percent other races. While the Roanoke MSA has a larger proportion of white residents than Virginia as a whole, The City of Roanoke has a larger proportion of black residents, as seen in Figure 2-4. The racial breakdown of The City of Roanoke is 69.1 percent white, 26.7 percent black, 0.3 percent American Indian, and 1.1 percent Asian or Pacific Islander.

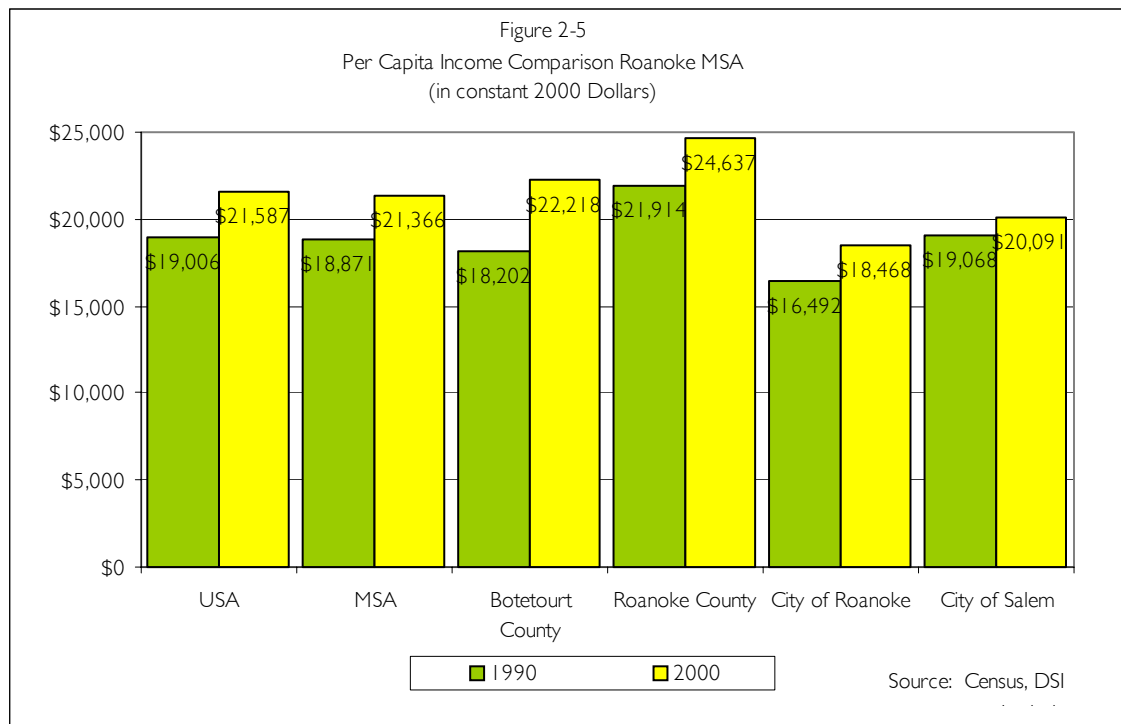


There are seven predominately black census tracts in The City of Roanoke, all in north central neighborhoods: 1, 2, 7, 8, 9, 10 and 23. Census tract 8, northeast of downtown, had the largest proportion of blacks in 2000 at 95.5 percent. Census tract 16, in south Roanoke, had the largest percentage of whites at 95.8 percent. Census tract 11, which is the downtown tract, had the same number of white and black residents, each totaling 897, with an additional 23 residents from other minority groups. That downtown has such an even balance of the major races may send important messages about downtown as the city's focal point and opportunities for attracting a larger and more diverse set of housing options.

Figure 2-5 on the next page compares the 1990s change in per capita income (PCI) among the major areas of the Roanoke MSA.<sup>7</sup> Additionally, the combined MSA per capita income and the U.S. national PCI are included. The Roanoke MSA lags behind the nation at \$21,366 even though it experienced a 13.2 percent increase between 1990 and 2000; but this was slightly less than the 13.5 percent increase across the U.S.

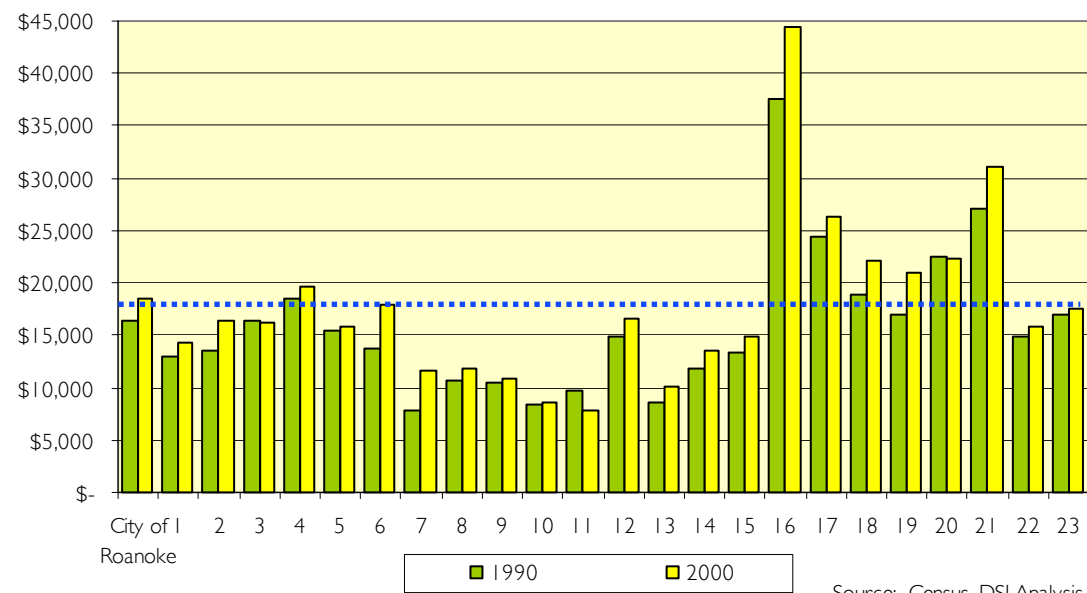
The PCI of both Botetourt and Roanoke Counties is above that of the national average, while the PCIs of The City of Roanoke and Salem are below the national average.

The per capita income of some 18 census tracts in The City of Roanoke lagged behind that of the MSA and the nation, as seen in Figure 2-6 on the next page. Only three (16, 17, and 21) had higher PCIs than the region as a whole, all in south or southwest Roanoke. Two had PCIs roughly equivalent to the metro area (tracts 18 and 20), also in south Roanoke, while tract 19 had a rapid rate of income growth to almost reach the regional average.



<sup>7</sup> All dollar amounts are in 2000 values. 1990 Census income data were inflated using the change in the Consumer Price Index.

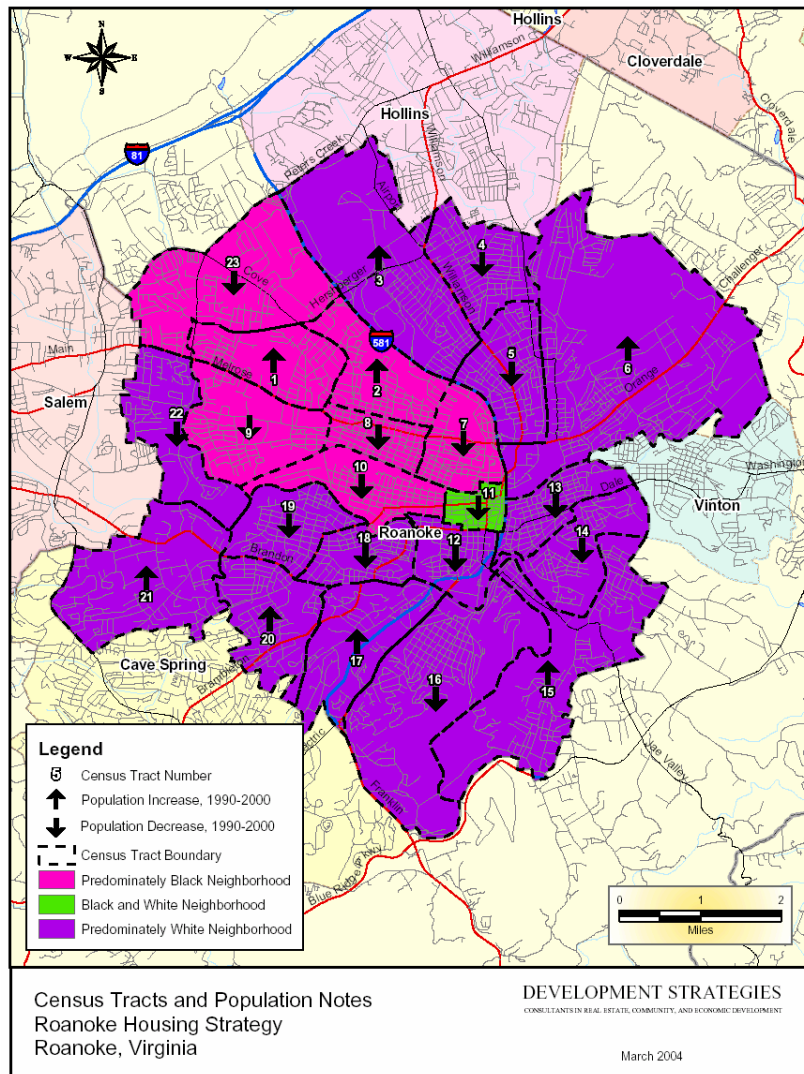
Figure 2-6:  
Per Capita Income Comparison for City of Roanoke Census Tracts  
(in constant 2000 Dollars)



Source: Census, DSI Analysis

After converting to constant dollars, only two census tracts appear to have lost per capita income during the 1900s, tracts 3 and 11. Tract 3, in the north central part of the city, declined by just 1.2 percent, however, while downtown's decrease (tract 11) was almost 20 percent.

The census tracts with lower per capita incomes tend to be located in the northern section of the city, with a number of census tracts being located in the predominately black neighborhoods, as is indicated on the following map.





## HOUSING TRENDS OVERVIEW

Between 1990 and 2000, the number of housing units in the Roanoke MSA increased 9.3 percent, a net addition of 8,885 housing units. Strictly examining the percent change or net new unit change can be misleading, however, as these measures do not adequately capture the total residential construction market. While net growth is important, it is also critical to bear in mind the number and rate of *replacement units*, representing the total number of houses built between 1990 and 2000, less the number of net new units.

### NET REPLACEMENT VS. NET CHANGE IN HOUSING

An evaluation of replacement units yields two important findings:

First, if the percent change is low, but the number of replacement units is high, as in The City of Roanoke and, to a lesser extent, in City of Salem, it suggests that the housing stock has been generally upgraded during the time period. Such a ratio may also indicate that a jurisdiction is already highly developed with little undeveloped land for additional housing.

Second, as in Botetourt County and, to a lesser extent, in Roanoke County, the number of replacement units is low relative to the number of net new units, suggesting that expansion is occurring in these markets, accompanied by modest increases in population.

Table 3-1: Net New Unit and Replacement Unit Calculations						
	Housing Units			1990-2000 Net New Units	1990-2000 Replacement Units	Total Construction in the 1990s
	1990	2000	Percent Change			
City of Roanoke	44,380	45,260	2.0%	880	1,940	2,820
Roanoke County	31,690	36,120	14.0%	4,430	1,160	5,590
City of Salem	9,610	10,400	8.2%	790	320	1,110
Botetourt County	9,790	12,570	28.4%	2,780	350	3,130
<b>Roanoke MSA</b>	<b>95,470</b>	<b>104,350</b>	<b>9.3%</b>	<b>8,880</b>	<b>3,770</b>	<b>12,650</b>

In either case, however, the overall quality of housing is likely to be improving because the housing being replaced almost always tends to be less desirable due to location and functional reasons—and therefore, the lowest priced. Real values and rents (after removing the effects of inflation), therefore, are generally rising when there is new housing being added to the inventory.<sup>8</sup>

<sup>8</sup> A similar tabulation and analysis by census tract could not be completed because of some apparent inconsistencies in the data available from the Census Bureaus on the internet. Data for several tracts, for instance, show a greater net increase in housing during

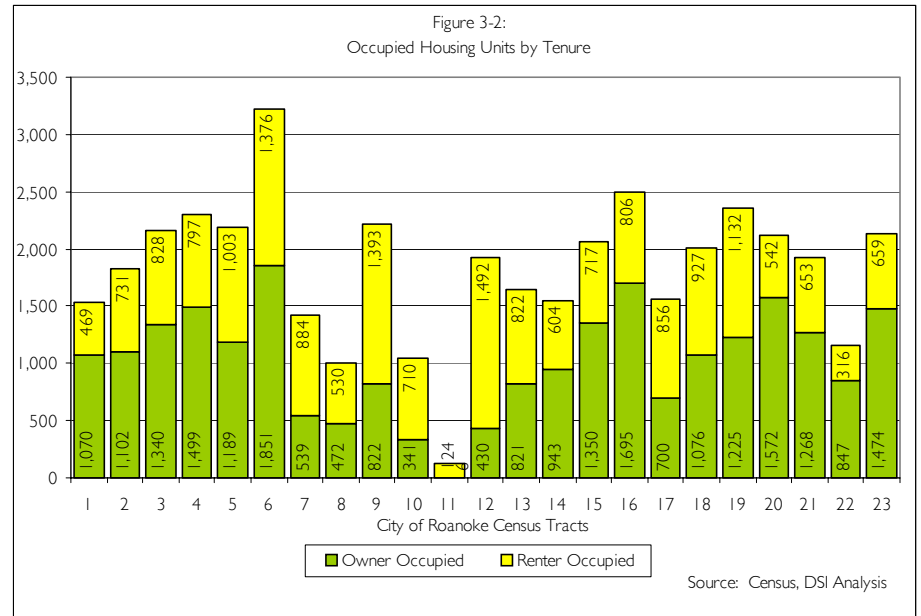
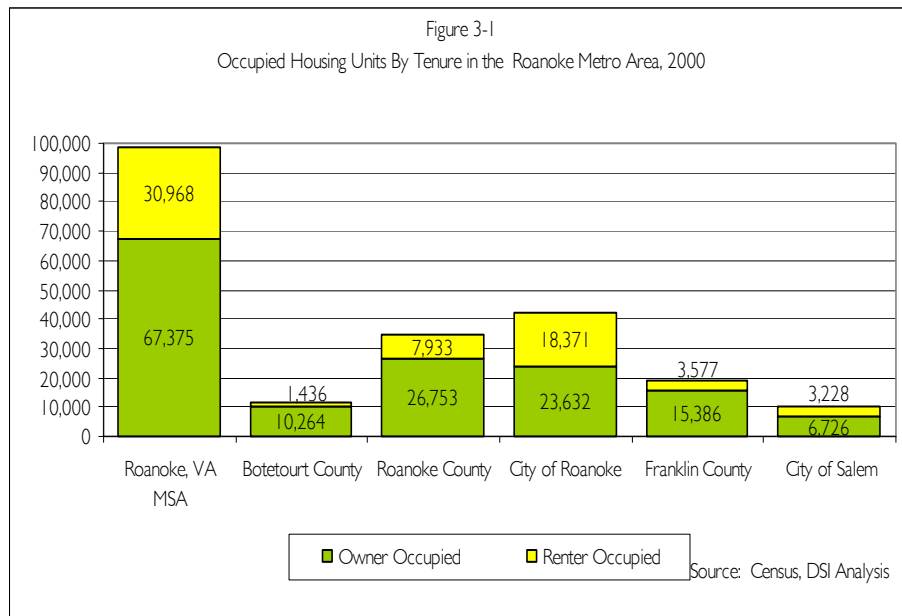
Where can new housing arise from relatively densely developed center cities? Most typically, it is from demolition of older housing and construction of newer units on the same sites. A frequent occurrence in urban centers, however, is the conversion of functionally obsolete commercial and manufacturing structures into fascinating loft housing and related products. But it can also occur because those commercial structures are removed in favor of new housing.

## OWNER + RENTER OCCUPANCY

Figures 3-1 and 3-2 show the proportion of owner and renter occupied housing units by area. Overall, two-thirds of housing units in the MSA are owner occupied. In The City of Roanoke, however, about 56 percent of the units are owner occupied.

In Figure 3-2, notably, census tracts 7, 8, 9, 10, 11, 12, and 17 have more renter occupied units than owner occupied units and census tracts 7, 8, 9, and 10 fall in the predominately lower income, African-American census tracts in the city.

While rental housing is always a necessity, owner occupancy is a standard measure of community stability and an indicator of personal investment and commitment to the community by households. Thus, higher ownership rates tend to mark



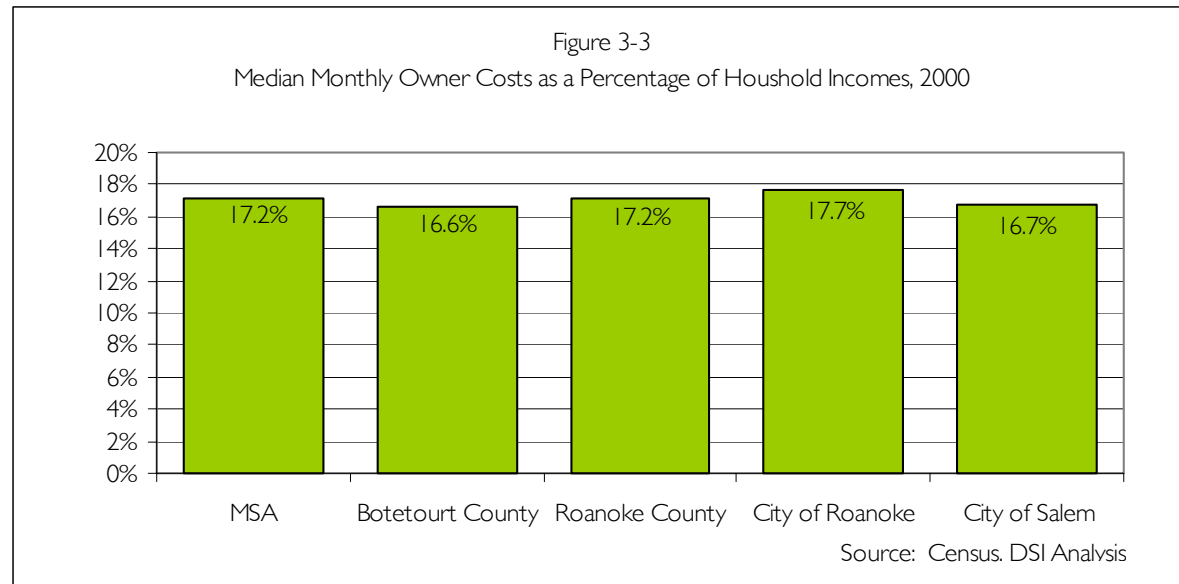
the 1990s than the number of units built during the 1990s. The number of units built should always be greater than or equal to the net increase.

more desirable neighborhoods. Where rental rates are high, especially if combined with a large number of absentee property ownerships or offsite management, physical and social conditions tend to trail off.

### OCCUPANCY COSTS VS. HOUSEHOLD INCOME

Figures 3-3 and 3-4 show the median monthly owner costs (mortgage and utilities costs) paid by households in owner occupied units as a percentage of household income. Troublingly in Roanoke, the higher the percentage of household income that monthly homeownership costs represent, the lower the level of income in a given area. Residents in owner occupied units in The City of Roanoke, that is, are paying a slightly larger portion of their household income for housing than are their homeowner peers in surrounding jurisdictions.<sup>9</sup>

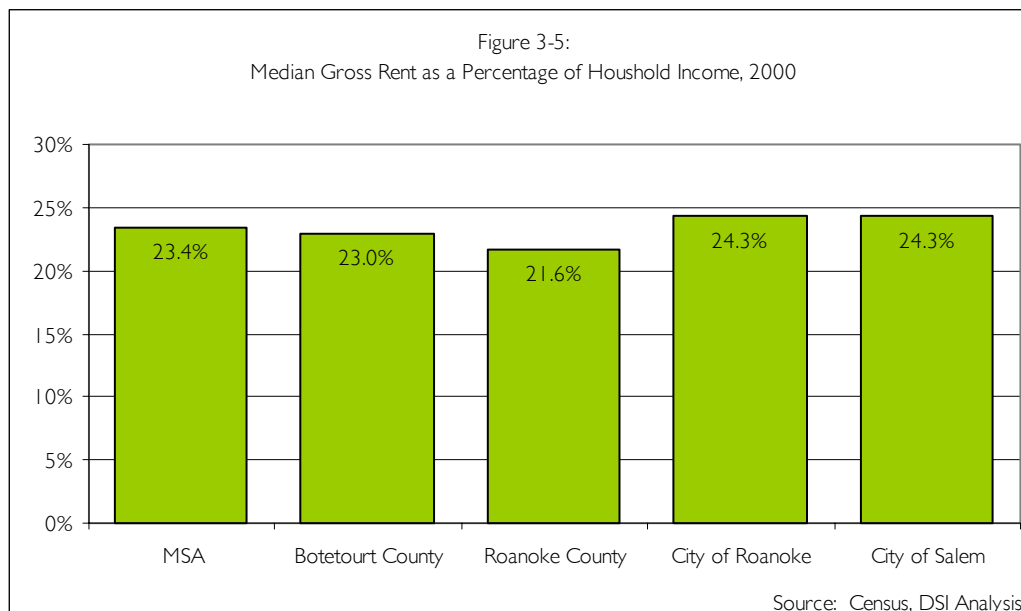
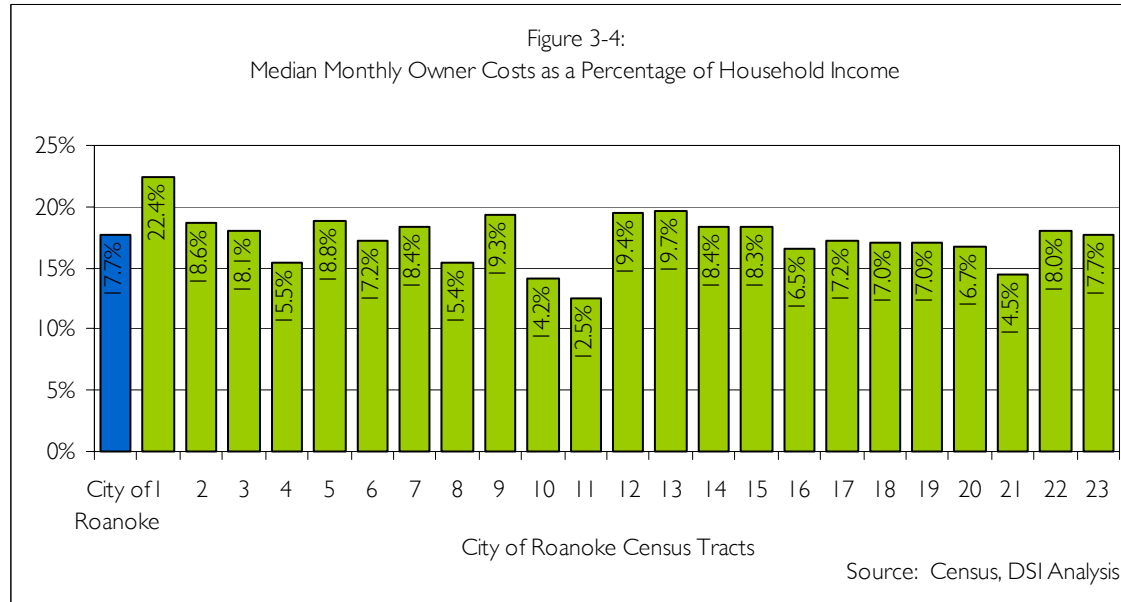
Figures 3-5 and 3-6 show the median gross rent ( The amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the

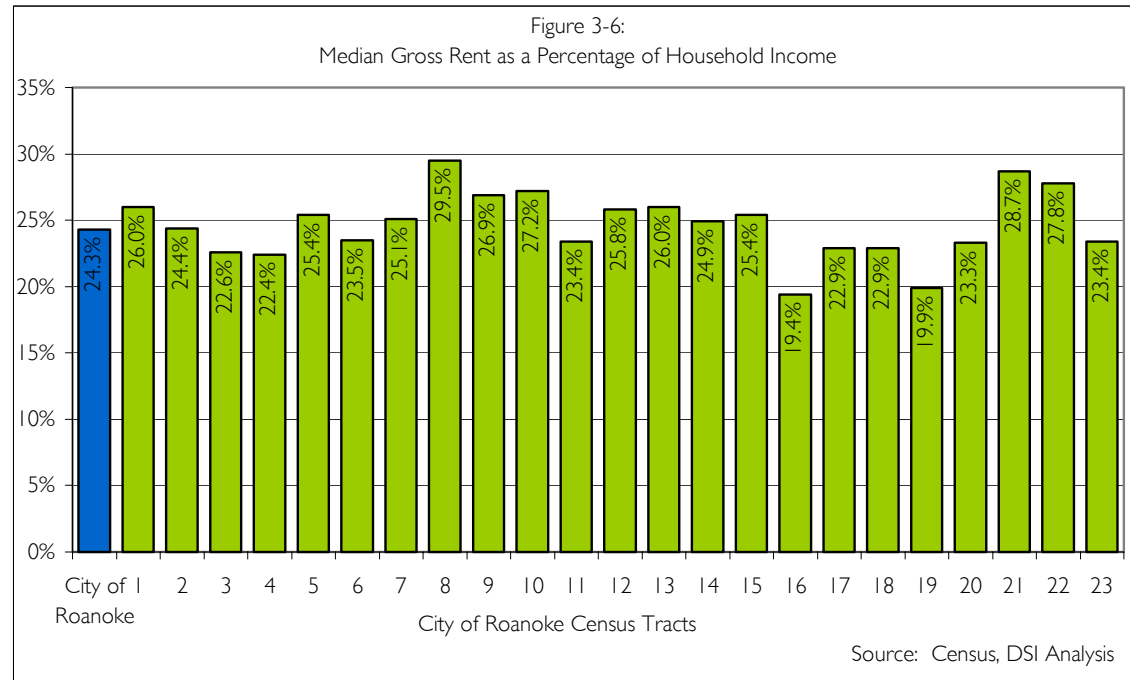


renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials, which result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.) paid by households in renter occupied units as a percentage household income. The higher the percentage of household income that gross rent

<sup>8</sup> As is discussed in Section 3.4, this does not translate to higher values relative to income. Indeed, the ratio of housing values to household earnings is higher in the suburbs than in the city. The higher proportions of income to housing costs in the city relate to unfavorable factors not uncommon in central cities such as higher utilities charges, higher insurance rates, higher maintenance costs, higher interest rates (as these reflect perceived lender risks in urban areas), and the like.

represents, the lower the level of income relative to the gross rent of housing in a given area. Renter residents in The City of Roanoke and City of Salem, that is, pay a larger portion of their annual income for housing then do their neighbors in Roanoke and Botetourt Counties.





When Figures 3-2 and 3-6 are compared, areas with more renter occupied units than owner occupied units tend to require a higher percentage of household income to support gross rent. The renters living in census tracts 8, 9, and 10 in the near north central part of the city, for example, are paying a greater portion of their income for housing than in other areas of the city. Census tracts 21 and 22 on the west side of the city also show a high percentage of income going toward housing costs, but with more owner occupied units in these areas, there may be a greater demand for the fewer rental units, thus, increasing the market rent of such units.

### MEASURING RELATIVE DEMAND FOR HOUSING BY TRACT

A measure of the relative quality of life for certain geographic areas is to compare the ratio of median housing value to average household earnings (using 2000 Census data).<sup>10</sup> Areas that are most desirable in the housing market tend to have higher ratios while areas with lesser demand tend to have lower ratios. This reasoning is based on economic theory where an area that is highly in demand will see housing prices driven up as demand puts pressure on existing supplies of

<sup>11</sup> Just the earnings component of income is thought to be a more reliable measure for housing demand because household with earnings are the more active households in the marketplace.

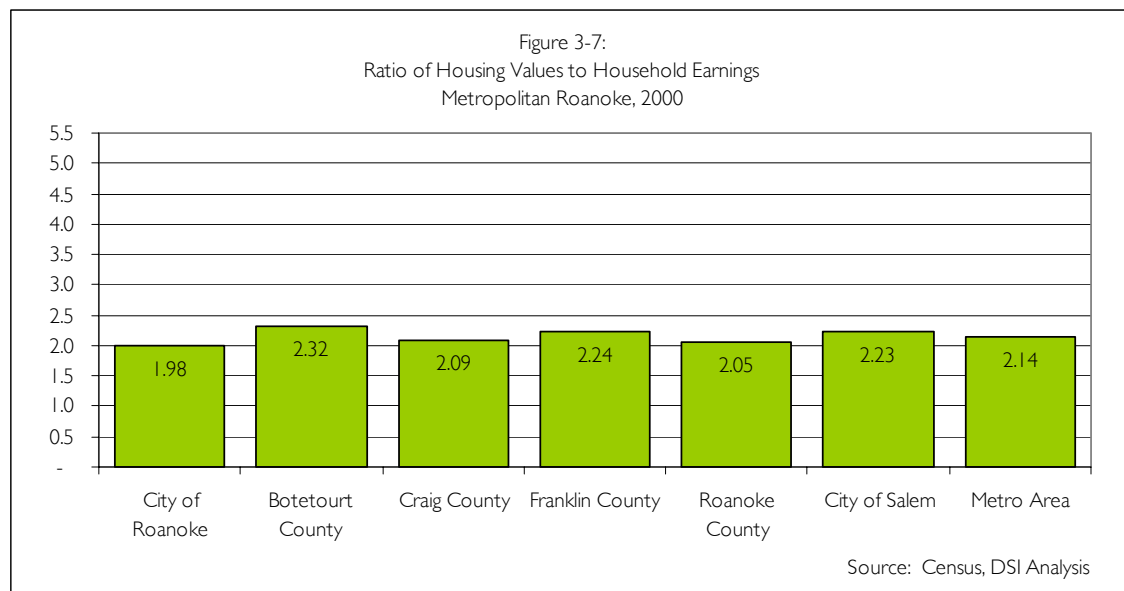


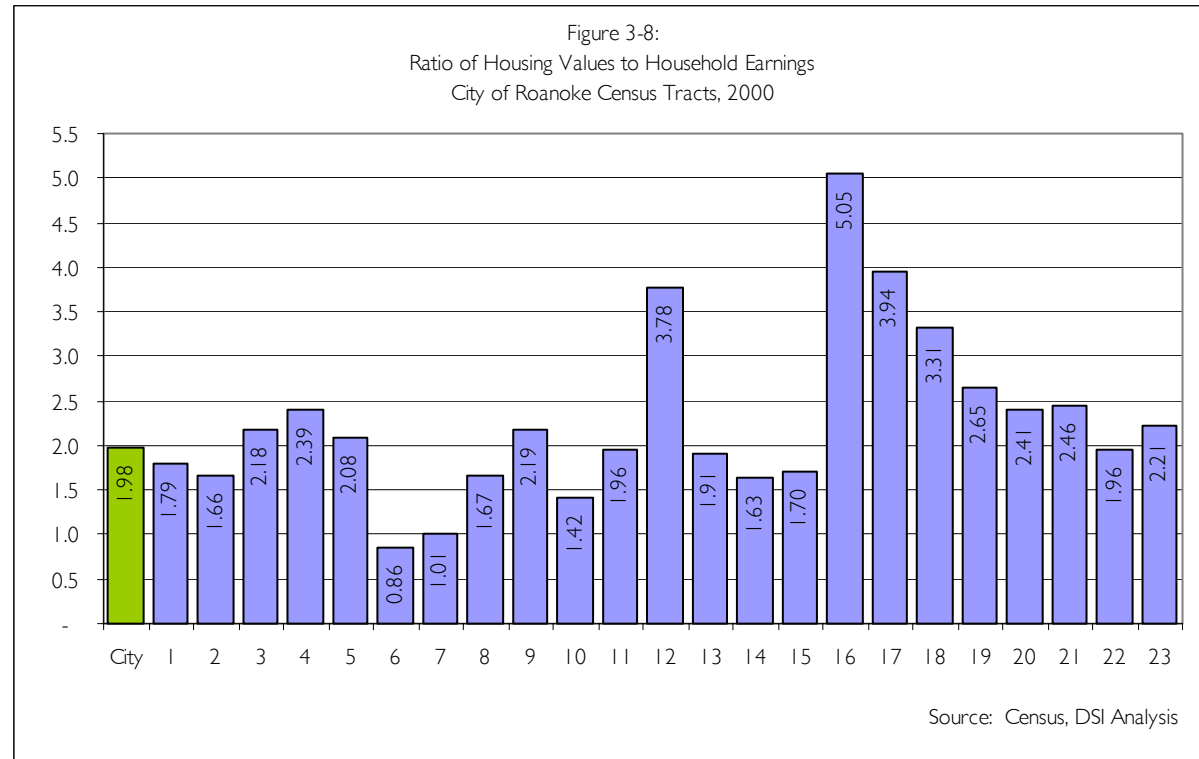
housing, thus driving up prices relative to earnings. People will simply pay a higher proportion of their annual earnings to purchase housing in more desirable areas.

On the other hand, places with lower demand will see housing values decline relative to income because supply and demand pressures will be less. Such areas also tend to see stabilization or even slight declines in household earnings since people with greater means will move their demand to more desirable communities and neighborhoods.

Thus, dividing a community's median housing value by its mean household earnings yields a ratio that allows for comparisons of relative desirability within the Roanoke region. In this case, ratios were determined for the counties and independent cities of the metropolitan area along with the 23 city census tracts (data for census tracts outside of the city were not compiled).

Figure 3-7 compares these ratios for the counties and major cities of the metropolitan area, including the two most recently added counties of Franklin and Craig (the scale of the graph is set as high as 5.5 to match the scale of Figure 3-8). Botetourt County is the most desired location for a residence, using Figure 3-7 as a guide, because its ratio of housing values to earnings is the highest at 2.32. Lowest on the scale, although not much lower at all, is the City of Roanoke at 1.98. For further comparison, the overall national average is 2.11.





Larger metropolitan areas tend to have higher ratios (they are large metro areas in part because they attract more demand) while non-metro areas tend to have ratios below the national average.

The ratings on Figure 3-7 should not be greatly surprising. Suburban areas typically have stronger demand and, therefore, higher values relative to income than central cities for a variety of household choice reasons. Indeed, most interesting about Figure 3-7 is how strong the City of Roanoke is compared to its suburban counterparts. Roanoke, it appears, already commands a fairly competitive housing demand in light of its central city geography and older housing stock.

But within the City of Roanoke, the differences are much more volatile, as shown on Figure 3-8. While half the tracts (12) have ratios higher than the city average and half (11) have lower ratios, the deviations are quite wide. The highest ratio, by far at 5.05, is for tract 16 in the southern part of the city. Indeed, the two tracts in this area—16 and 17—have the highest ratios in the city, followed by tract 12, which borders 16 and 17 on the north and is just south of downtown. Immediately west of tract 12 are tracts 18 and 19 which also rank quite highly, though all three of these are more centrally located and not on the “edges” of the city like tracts 16 and 17.

Rating most poorly are tracts 6, 7, and 8 and tracts 13, 14, and 15. Tract 6 represents the bulk of the northwest quadrant of the city while tracts 7 and 8 are centrally located north and west of downtown. Tracts 13, 14, and 15 are all on the east and southeast parts of the city.

Figure 3-9 collapses the 23 tracts into three general areas of the city:

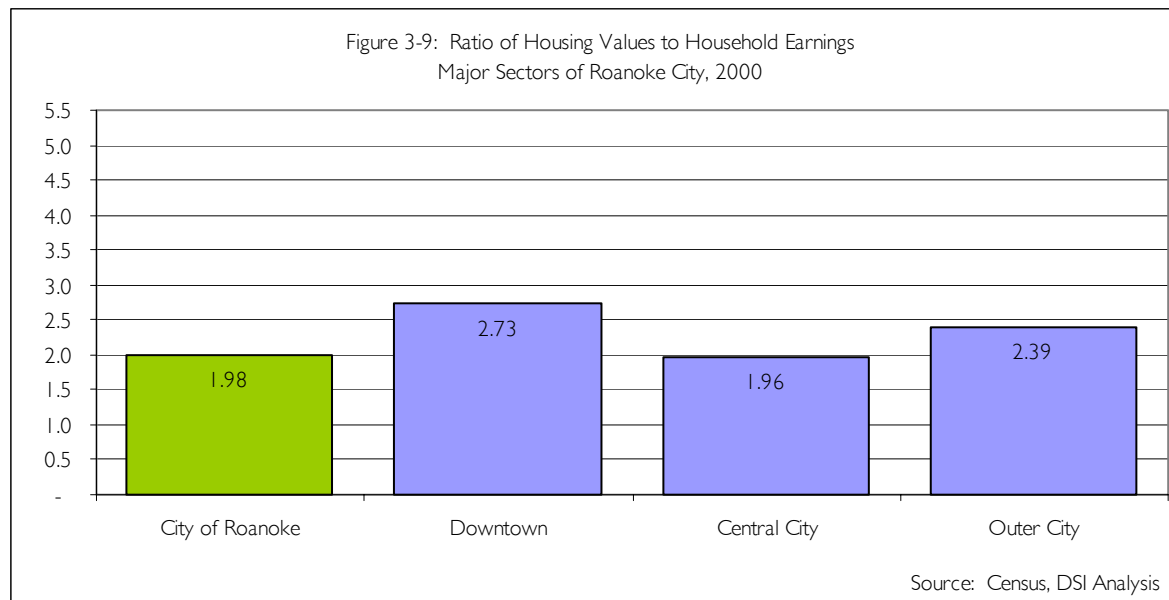
Downtown (tract 11)

Central city (tracts 1, 2, 3, 5, 7, 8, 9, 10, 12, 13, 14, 18, and 19)

Outer city (tracts 4, 6, 15, 16, 17, 20, 21, 22, and 23).

Downtown had but 168 housing units counted in the 2000 census, and only about a half dozen were owner occupied, so its ratio of value to earnings should not be considered a reliable statistical measure. Nevertheless, the ratio is a fairly healthy 2.73—perhaps an early indicator of a strong potential for future downtown-oriented housing.

Not surprisingly, the central city tracts do more poorly than the outer city tracts. Older housing and related central city



conditions and prejudices likely push down relative demand which, in turn, attracts lower income households because the housing is more affordable. Outer parts of the city, on the other hand, tend to have newer homes (some of these areas are still under new development, in fact), and are not as burdened with the perceptions of central city neighborhoods. Of particular note is that the outer city tracts, collectively, have a higher value-to-earnings ratio than Botetourt County, which has the highest ratio of all the counties in the metro area.

This suggests that much of Roanoke is very competitive in the housing market of the metro area. But even the central part of the city, as a whole, is not far behind. There are a few tracts, however, that are well below average (notably tracts 6, 7, and 10) and these could, therefore, become a particular focus for greater resources to increase demand. At the same time, eight tracts have value-to-earnings ratios exceeding that of Botetourt County; these can become a focus for building a higher image of residential opportunities in the city and leveraging demand toward, particularly, the north and east sectors of the city.

## ROANOKE VALLEY ASSOCIATION OF REALTORS 2003 SALES DATA

Data provided by the Roanoke Valley Association of Realtors on 2003 housing sales identify patterns relevant to understanding post Census 2000 market dynamics affecting Roanoke. The data cover the entire calendar year of 2003 for 5,414 residential sales transactions segregated into 15 geographic areas as shown on Table 1.<sup>11</sup> Clearly, the City of Roanoke has significantly lower priced, older, and smaller housing units than the rest of the metropolitan area.

TABLE 4-1: GEOGRAPHIC SUB-AREAS IN THE 2003 HOUSING SALES REPORT	
AREA NAME	DESCRIPTION
South Roanoke*	South The City of Roanoke
Southwest City*	Southwest of Downtown Roanoke
Southwest County*	Southwest Roanoke County
Salem*	West of The City of Roanoke
Northwest City*	Northwest of Downtown Roanoke
North County*	North Roanoke County
Williamson Road*	North The City of Roanoke and County
Southeast, Vinton, Garden City*	Eastern to southern quarter of The City of Roanoke
Botetourt County*	Northeast of Roanoke County
Franklin County*	South of Roanoke County
Craig County*	Northwest of Roanoke County
Bedford County	East of Roanoke County
Montgomery County	West of Roanoke County
Floyd County	Southwest of Roanoke County
Other Counties	N/A
*Located in the Roanoke metropolitan statistical area of The City of Roanoke, Salem, Roanoke County, Botetourt County, Franklin County, and Craig County.	

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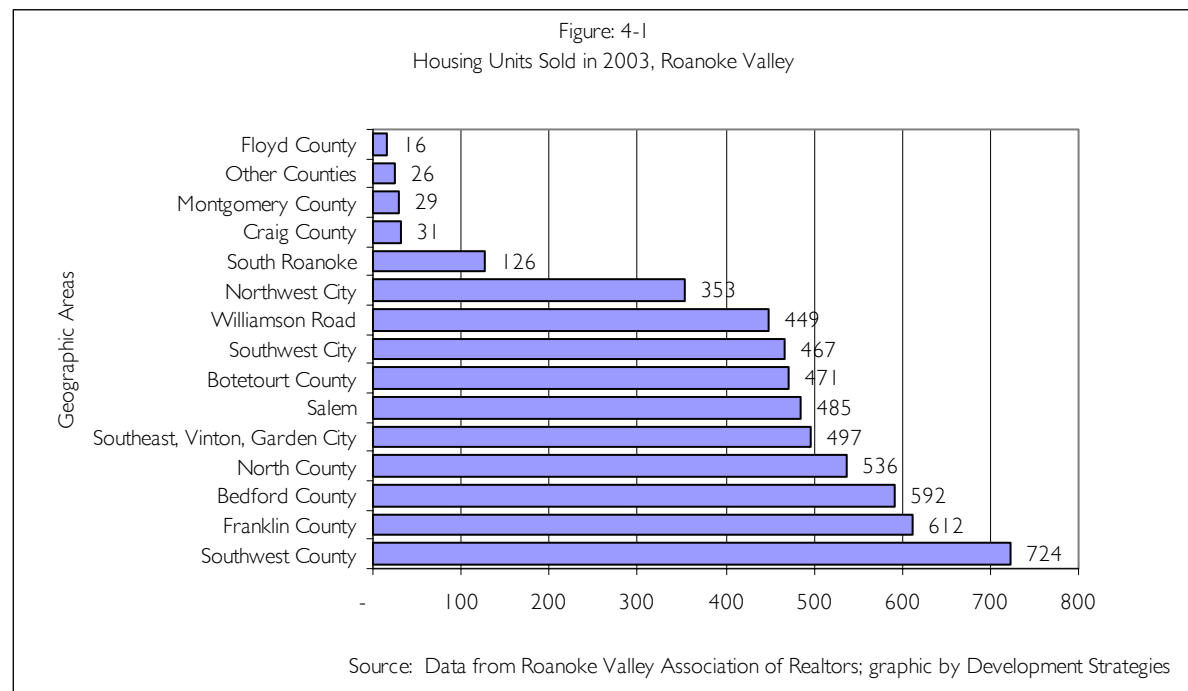
<sup>11</sup> The Roanoke Valley Association of Realtors was unable to provide a comparable map illustrating the specific boundaries of these areas.

Southwest County had the most sales with 724 (13.3% of the total), illustrated on Figure 4-1, while Floyd County has the fewest number of sales with 16 (just 0.3%). Excluding the five areas with obviously low numbers of sales, the other ten areas were responsible for almost 96% of all the housing sales in 2003. If South Roanoke is also included, the top 11 sales areas accounted for over 98%.

The distribution of sales is partly a function of location, with areas nearest to and contained in The City of Roanoke experiencing the greatest sales activity. This correlation, of course, also reflects areas of the greatest housing supplies and populations.

Notably, two counties not included in the 2000 Census definition of the metropolitan area had the second and third highest sales numbers: Franklin and Bedford. Bedford, however, is part of the Lynchburg metro area to the east of Roanoke; according to definitions of metro areas, therefore, most of Bedford County's labor force works in the Lynchburg area, not the Roanoke area. Subsequent to the 2000 Census, two counties were added to the official definition of the Roanoke metro area: Franklin and Craig, thus enlarging the economic market area of Roanoke.





Excluding non-metro area counties from the data (Floyd, Montgomery, Bedford, and “other”), the housing sales data include 4,751 sales within the Roanoke metro area, or almost 88% of the total inventory.<sup>12</sup> As of the 2000 Census, the metropolitan area had 84,476 owner occupied housing units (including the two newly added counties), so the 4,751 sales in 2003 represented about 5.6% of owner occupied housing. This percent is slightly overstated, however, because more housing stock has been added since 2000, but the amount and the owner-renter composition of that growth are unknown. The four sub-areas in the City of Roanoke (Northwest City, South Roanoke, Southwest City, and Williamson Road) accounted for 1,395 of the total sales transactions, or 29.4% of all transactions in the expanded metro area. As of Census 2000, the City contained 28.0% of the metropolitan area's owner occupied housing, so its 29.4% share of 2003 sales is consistent with its relative share of the region.

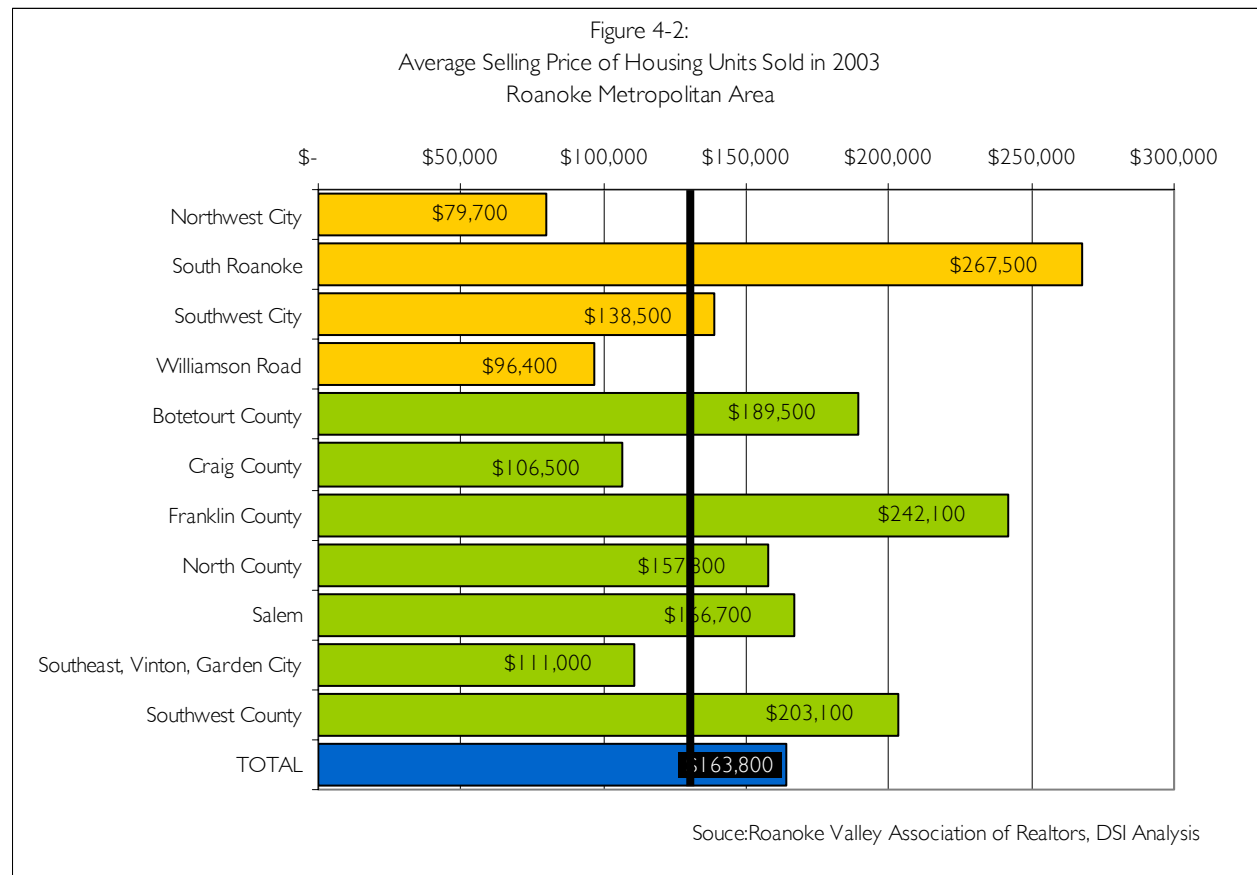
Likewise, the four sub-areas in Roanoke County, including Salem (North County, Southwest County, and Southeast-Vinton-Garden City, plus Salem) accounted for 2,242 of the sales transactions, or 37.2%; the Roanoke County/Salem share of metropolitan owner-occupied housing in 2000 was 39.7%, again consistent with the share of sales in 2003.

The weighted average selling price of a home in the metro area in 2003 was \$163,800 (Figure 4-2). Four of the 11 sub-areas tracked by the Realtors Association exceeded this average, two virtually matched the average, and the other five fell

<sup>12</sup> This definition of the Roanoke metropolitan area is used throughout this memorandum. That is, the metro area includes The City of Roanoke, Salem, and the counties of Roanoke, Botetourt, Franklin, and Craig.

below the average. South Roanoke led all sub areas with an average selling price \$267,500, some 63% higher than the regional average. The next highest was in Franklin County at \$242,100, 48% above average. South Roanoke, however, had just 126 recorded sales compared to Franklin County's 612.

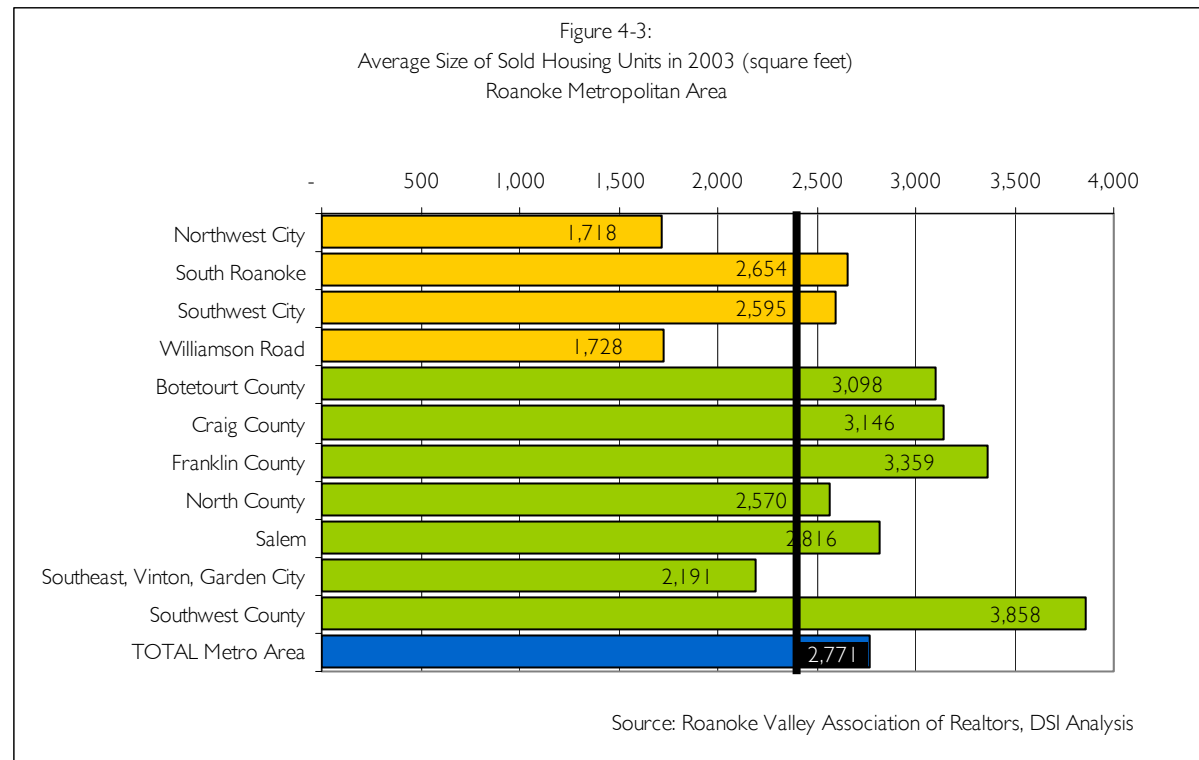
The least expensive housing was in the Northwest City sub area where the average price was \$79,700, or just 49% of the metro average, for 353 sales. Craig County had the second lowest average price at \$106,500, or 65% of the metro average but just for just 31 sales. And the Southeast City-Vinton-Garden City sub area was third at \$111,000, 68% of the metro average, for 497 transactions.



Of the four sub-areas in the City of Roanoke, average prices fell below the metro average in three: Northwest, Southwest, and Williamson Road. Only South Roanoke's averages were higher than the metro average—in fact, it led all sub-areas. Relative to Roanoke County, however, the city does not fall all that far below average. Only one of the four sub-areas with above MSA average prices is in the county (Southwest County) while two are in other counties altogether (Franklin and Botetourt). Only one of the four Roanoke County sub-areas fell significantly below the metro average (North County Southeast-Vinton-Garden City). Salem and North County had average prices roughly equivalent to the overall metro average.

Still, the city is not experiencing the pricing strengths of the rest of the region and is, therefore, less attractive to higher income households. Three of the five “below average” sub-areas are in the City of Roanoke.

A contributing factor to lower relative prices in the city may be the lower relative sizes of the sold housing in the city (Figure 4-3). The average home sold in the metropolitan area in 2003 had 2,763 square feet of floor area. None of the four city sub-areas, however, reached this average, the largest being South Roanoke at 2,654 square feet where, incidentally, the highest average prices were found, too. On the other hand, two of the four Roanoke County sub areas exceeded the metro average, one of which, Southwest County, led all sub areas at an average house size of nearly 3,900 square feet.

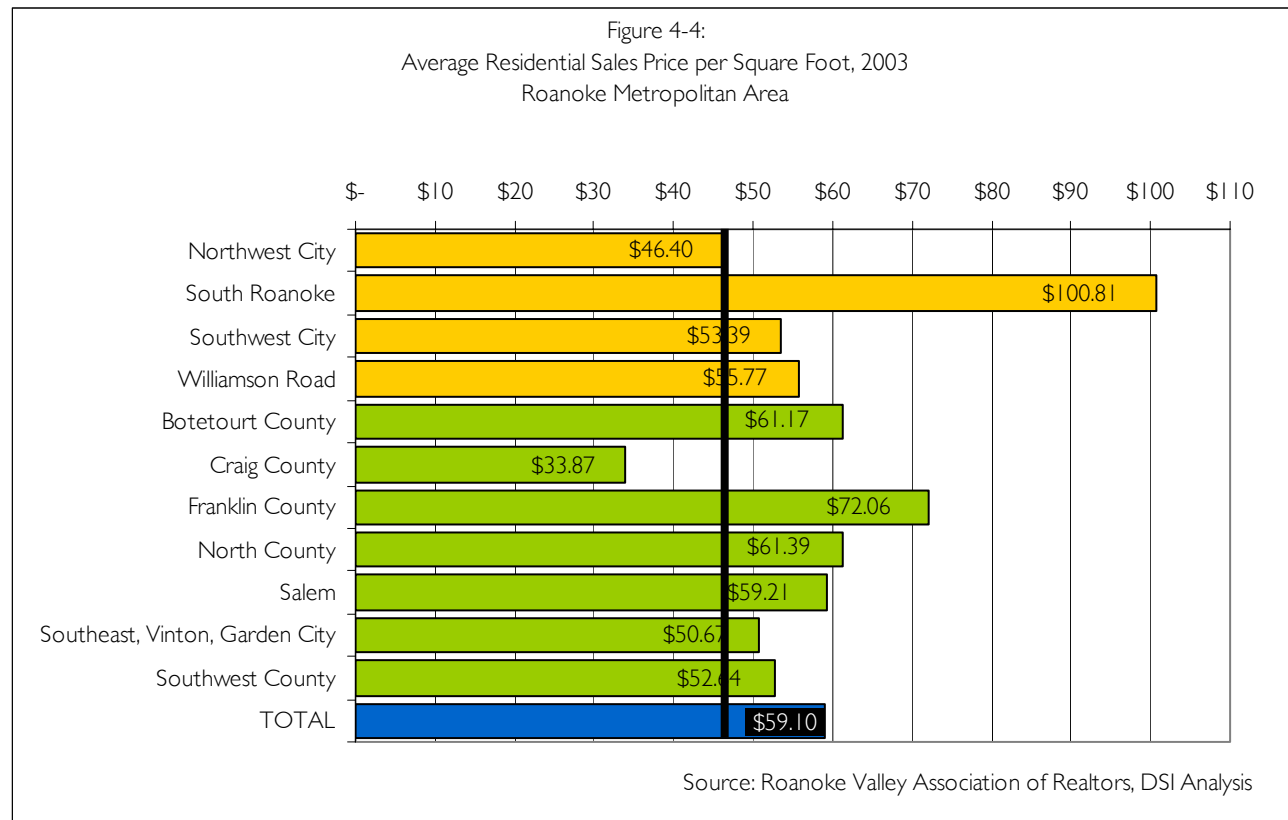


Sales prices *per square foot* reveal notable contrasts with the previous two graphs (see Figure 4-4). For instance, South Roanoke, in the city, realized the highest sales per square foot (psf) average of over \$100 in 2003, some 68% higher than the metro average of \$59.10 and 40% higher than the next highest average in Franklin County. Craig County, on the other hand, had the lowest sales prices psf despite a relatively large average unit size.

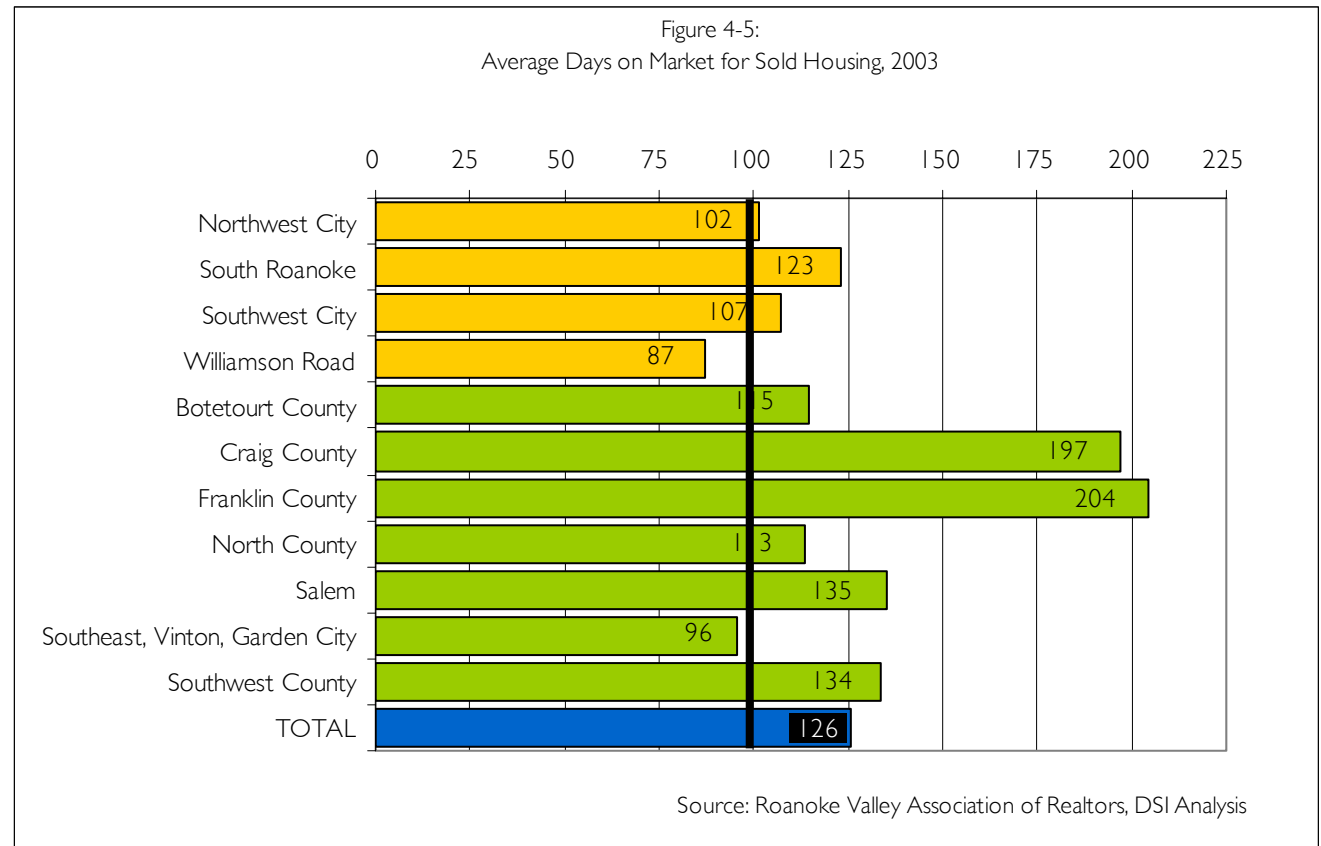
But over 90% of the transactions in the City of Roanoke averaged below the metropolitan sales psf while only 54% of Roanoke County/Salem were below the metro average.

The overall average price per square foot, however, was slightly higher in The City of Roanoke than in Roanoke County/Salem. The city's average, including the high values in South Roanoke, was \$57.99 psf while the County/Salem averaged \$55.49 psf. Neither of these averages, however, reached the metropolitan average, which was heavily affected by the combination of high prices and large number of sales transactions in Franklin County.

Removing the effects of South Roanoke from the city average, the weighted average in the other three sub areas of the city was \$52.47, about \$3.00 less than in Roanoke County/Salem.

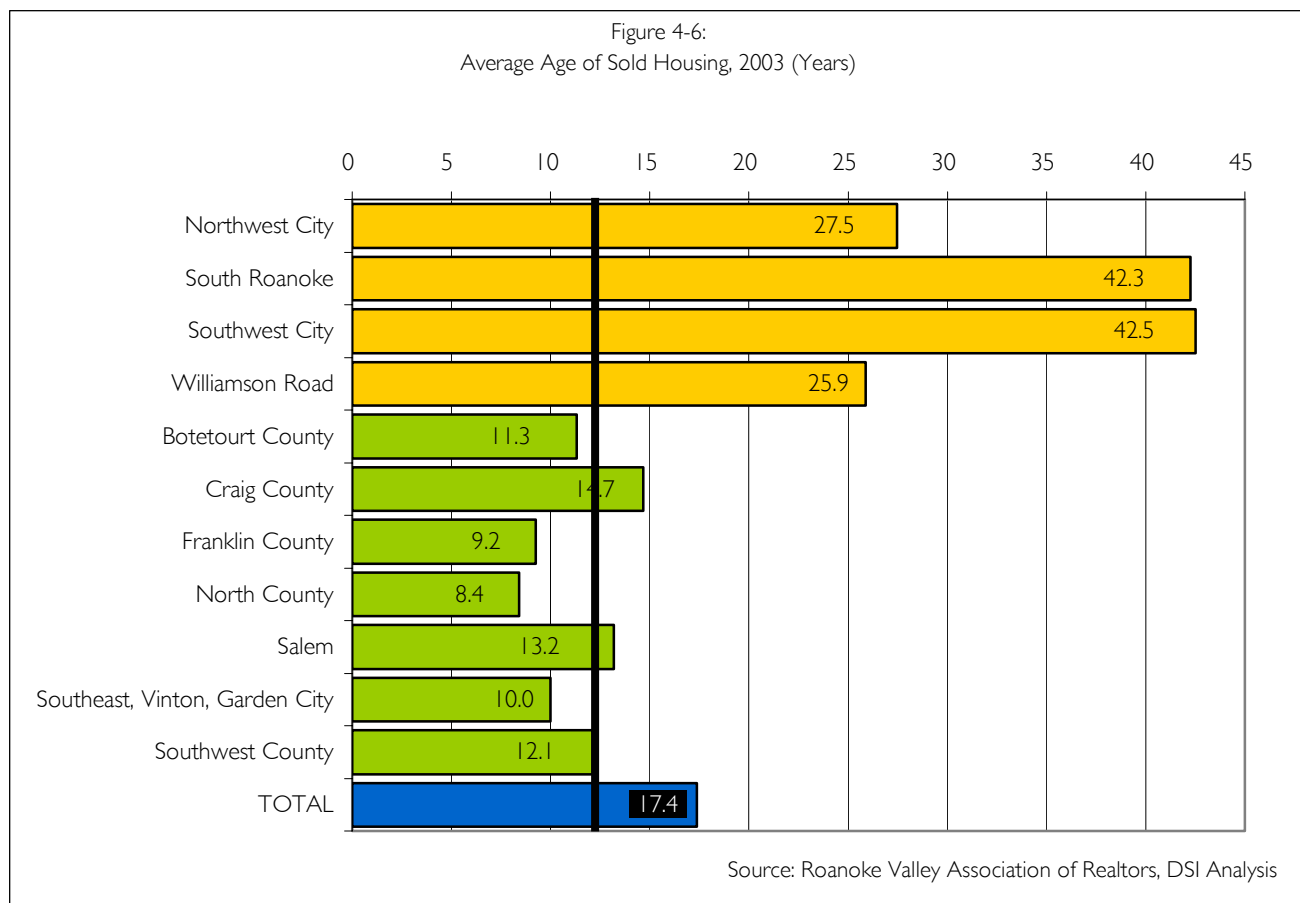


A bit more encouraging for city housing is that it stayed on the market an average of almost three weeks *less* than in Roanoke County/Salem. City housing was on the market an average of 101 days in 2003 compared to 121 days in the County/Salem and 126 days for the metropolitan area as a whole. Thus, City housing sells relatively quickly compared to other areas. The slowest markets were in Craig and Franklin Counties (Figure 4-5), both of which are new to the metro area since 2000 and are more “exurban” in densities.



One possible disadvantage for city housing when compared to suburban areas is its average age. For units sold in 2003, the average age of the city's housing was 33.3 years, almost double the metropolitan average of 17.3 years. Indeed, all of the four city sub-areas had average housing ages well above the metro average (Figure 4-6). The average was over 42 years in both South Roanoke and Southwest City, over 25 years in Northwest City and Williamson Road. Meanwhile, all of the suburban sub-areas were well below the average age, including a combined average of just 11.0 years in Roanoke County/Salem. The lowest average of 9.2 years was for the very new housing in Franklin County.





A conclusion from much of the above information is that the City of Roanoke has a disproportionate share of lower valued housing in the metropolitan area. This is confirmed in the 2000 Census but is also confirmed from the private sector data provided by the Roanoke Valley Realtors Association. The following pie charts break down that data into various price ranges.

Figure 4-7 shows the distribution of sold housing by price range for the City of Roanoke. Almost two-thirds (64.5%) of that housing sold for under \$125,000. Almost a quarter (22.5%) sold for between \$125,000 and \$175,000. Thus, 87% of the city's housing sold for \$175,000 or less in 2003.

In contrast, 65% of the housing in Roanoke County, including Salem, sold for under \$175,000 (Figure 4-8) while only half the housing in the surrounding counties sold for under \$175,000 (Figure 4-9). In fact, while 64.5% of the city's housing sold for under \$125,000, just 40.5% of the county's housing did so and 27.9% of the other metro area counties fell below \$125,000.

Table 4-2 shows that 44.1% of the metro area's housing that sold for under \$125,000 was in the City of Roanoke while 40.8% was in Roanoke County/Salem. Only 15.1% of such housing was sold in the surrounding counties. Of the housing selling for more than \$425,000, on the other hand, six out of ten homes (59.1%) were sold in the surrounding counties while one-third (33.3%) was sold in the County/Salem and just 7.5% was in the City of Roanoke.

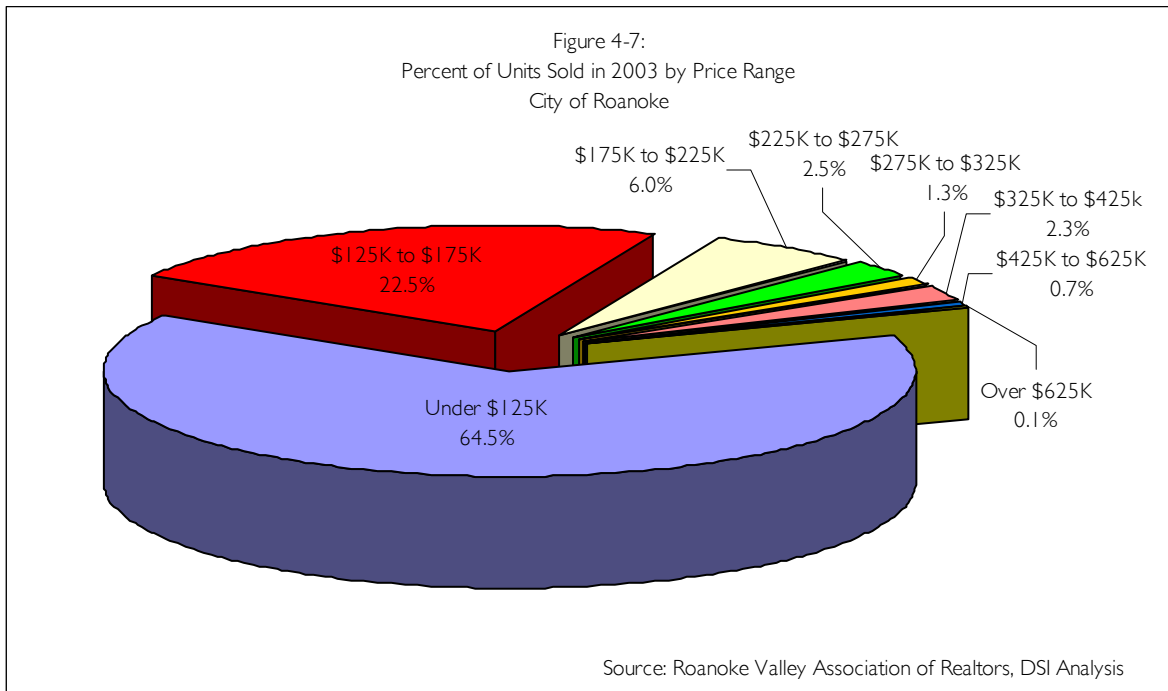
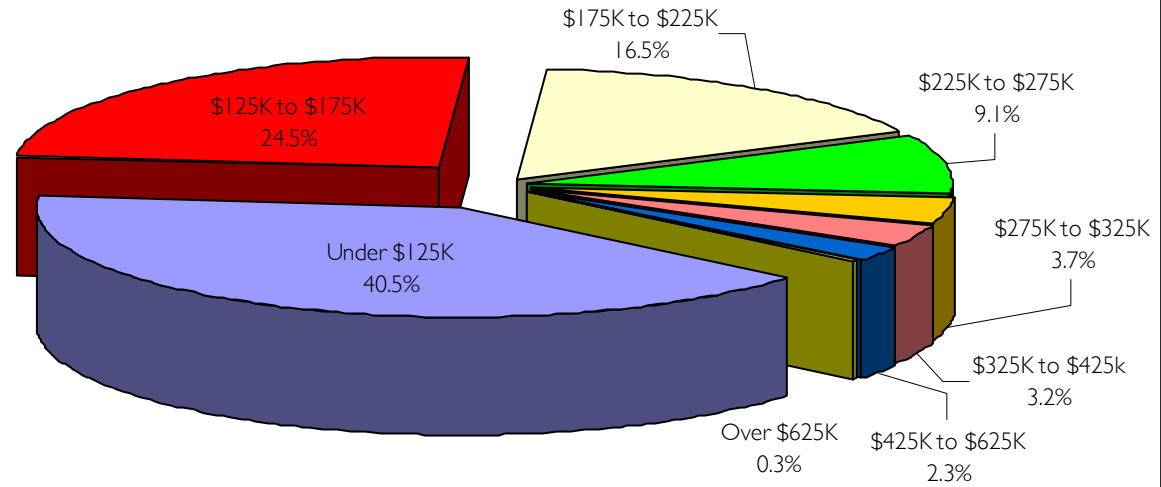
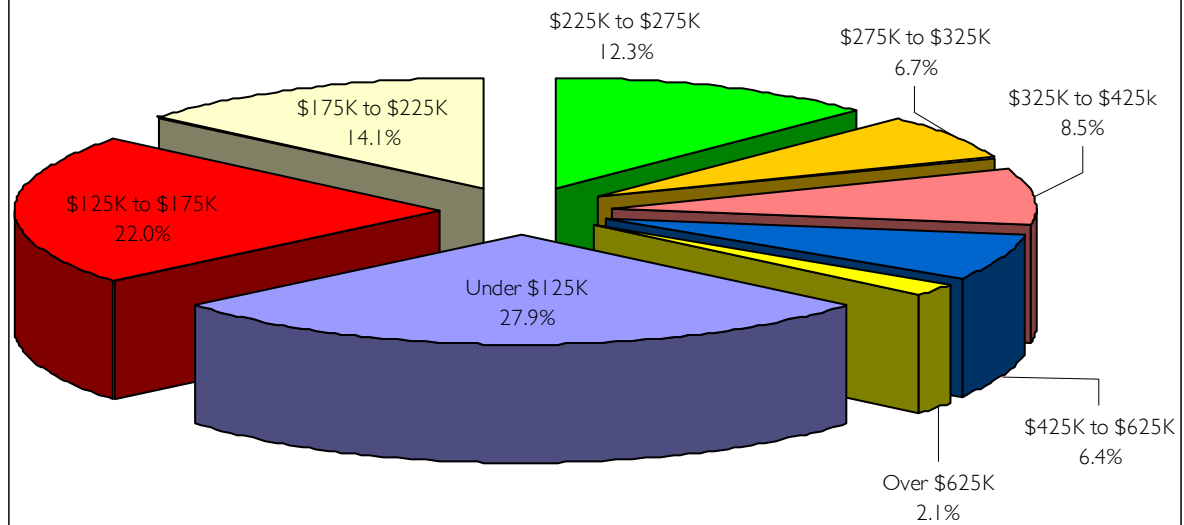


Figure 4-8:  
Percent of Units Sold in 2003 by Price Range  
Roanoke County/Salem



Source: Roanoke Valley Association of Realtors, DSI Analysis

Figure4-9:  
Percent of Units Sold in 2003 by Price Range  
Remainder of Metropolitan Area



Source: Roanoke Valley Association of Realtors, DSI Analysis

**Table 4-2: Percent of Units Sold by Price Range Within Sub-Area  
Roanoke Metropolitan Area, 2003**

	Under \$125K	\$125K to \$175K	\$175K to \$225K	\$225K to \$275K	\$275K to \$325K	\$325K to \$425k	\$425K to \$625K	Over \$625K	Total
Northwest City	15.1%	4.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	7.6%
South Roanoke	0.6%	1.5%	3.6%	4.5%	7.8%	14.7%	6.3%	3.2%	2.4%
Southwest City	9.5%	17.1%	10.0%	5.3%	3.0%	2.1%	1.6%	3.2%	9.8%
Williamson Road	18.9%	6.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%
Botetourt County	5.7%	11.8%	15.4%	19.3%	15.0%	18.8%	5.5%	3.2%	9.9%
Craig County	0.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Franklin County	8.5%	10.1%	11.6%	18.8%	29.3%	30.4%	50.0%	71.0%	12.8%
North County	7.8%	22.7%	10.6%	14.8%	8.4%	1.6%	1.6%	0.0%	11.2%
City of Salem	8.9%	12.2%	17.1%	12.0%	13.2%	7.3%	8.6%	3.2%	10.5%
Southeast-Vinton- Garden City	16.4%	10.8%	5.2%	2.8%	3.6%	0.5%	0.0%	3.2%	10.5%
Southwest County	7.6%	1.9%	25.6%	22.4%	19.8%	24.6%	26.6%	12.9%	11.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
City of Roanoke	44.1%	29.5%	14.5%	9.8%	10.8%	16.8%	7.8%	6.5%	29.3%
Roanoke County/Salem	40.8%	47.5%	58.5%	52.1%	44.9%	34.0%	36.7%	19.4%	43.2%
Rest of Metro Area	15.1%	22.9%	27.0%	38.1%	44.3%	49.2%	55.5%	74.2%	27.5%

Sources: Roanoke Valley Association of Realtors, DSI Analysis.

## COMPARING KEY HOUSING MARKET INDICATORS AT THE CENSUS TRACT LEVEL

An important goal of Roanoke's strategic housing plan is to customize strategic actions in sub-city geographic areas rather than necessarily to apply such actions citywide. This requires a deeper understanding of housing market dynamics in those sub-areas beyond the information previously described. While neighborhoods are the geographic areas of choice in this case, useful and comparable data at the neighborhood level was not made available. So the following analysis once again focuses on the city's 23 census tracts (See map on page 9).

The 2000 Census provides data on several key housing market factors that are comparable across a range of geographic scales. Analysis of these factors helps to identify certain distinguishing characteristics of the census tracts. The factors are also compared to each of the counties and independent cities in the metropolitan area. The factors are:

Diversity of housing types based on numbers of units in housing structures (e.g., single family homes, multi-family apartments)

Age of housing

Renter and owner occupancy

Housing values and monthly rents

Other aspects of some of these topics were discussed earlier in the context of regional and city comparisons, but the point of this section is to illustrate relative differences among census tracts in a less quantitative manner when compared to the city. That is, which tracts seem to be similar or much different than citywide measures? Is there a pattern regarding these similarities and differences that is worth exploiting or altering?

## DIVERSITY OF HOUSING TYPES

Roanoke had almost 45,300 housing units as of the 2000 census, ranking it first among the counties and cities in the metropolitan area, or about 9,000 more housing units than in Roanoke County. Of the city's housing, 61.5 percent was in single family, detached homes—the kind of housing, typically, on a single lot with yard or open space on all four sides. Roanoke County's housing stock, by comparison, was 76.1% single-family detached homes.<sup>13</sup>

Table 5-1 illustrates the relative diversity of such housing choices in the metro area and the city's census tracts by comparison to the proportion of housing types within the City of Roanoke itself. In essence, the city (not the county nor the metro area as a whole) is taken as an appropriate target for a mix of housing choices most suitable for a central city environment. This does not necessarily mean that every neighborhood or census tract should offer the same proportions

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<sup>14</sup> The national average in 2000 was 60.2%.



of each housing type, but it is useful to understand how the sub-areas of the city compare to the city as a whole and how they, therefore, contribute to the city's blend of urban housing opportunities.

Those sub-areas where the proportions of housing types (i.e., units per structure) are similar to the city have a double-headed left-right arrow ( $\leftrightarrow$ ). "Similarity" is defined as a proportion of such housing that is within ten percent of the city's proportion. That is, dividing the sub-area's percentage by the city's percentage would yield a result of between 0.9 and 1.1.

Sub-areas exhibiting small variations from the city averages range within 10% to 20% of the city—either a higher proportion of between 1.1 and 1.2 times the city (an upward pointing arrow  $\uparrow$ ), or a lower proportion between 0.8 and 0.9 of the city (a downward pointing arrow  $\downarrow$ ).

Sub-areas exhibiting large variations have proportions either exceeding 120% of the city ( $\blacktriangle$ ) or less than 80% ( $\blacktriangledown$ ).

For example, census tract 1 has 82.3% of its housing in single family detached units. This is 1.34 times the city's average of 61.5%, so tract 1 has an upward pointing triangle ( $\blacktriangle$ ), indicating a large variation from the city average. Likewise, but in the other direction, census tract 12 has just 21.5% of its housing in single-family detached homes; 21.5% divided by 61.5% is 0.35, so it gets a downward pointing triangle ( $\blacktriangledown$ ).<sup>14</sup>

Thus, the "cells" on Table 6-1 that have blackened triangles are those that exhibit sharp differences from the city average in the proportion of housing types.

For each census tract, there are eight separate cells representing units per structure of various counts shown in the column headings. For the 23 tracts, therefore, there are 184 possible cells. Of these 184, only 21 (11%) have similar housing type proportions as the city averages while just 19 (10%) have only small variations from the city. Almost eight of ten, therefore, exhibit large variations in proportions to the overall city averages.

Roanoke is, indeed, a city of contrasts in neighborhood (or census tract) housing characteristics. Each area of the city is, effectively, markedly different than the others. Note that the counties and major cities of the metro area (top of the table) also demonstrate large differences in proportions from the city. Taken in whole or in part, the City of Roanoke emerges as a unique housing market in the region with regard to the options for types of housing.

Is this a strength for increasing demand for city housing? Or is it a hindrance? Or just a neutral factor? The answers almost certainly lie in the particular demographic markets for which city housing would or would not be an appealing alternative. Marketing the wide range of options in almost every part of the city may help to attract some households and not others. This is a topic to revisit after further analysis.

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<sup>15</sup> The census tracts are out of numerical order on these tables because they reflect combinations to represent downtown (tract 11) central city (the next 13 tracts, 1 through 19), and outer city (9 tracts, 4 through 23). The combined measures for these three sub-areas are at the bottom of the table.

Table 5-1: RELATIVE DIVERSITY OF HOUSING CHOICES									
Deviation from City of Roanoke's Distribution of Housing by Units in Structure, 2000									
↔	Similar distribution as within City of Roanoke as a whole								
↑↓	Small variation (higher or lower percent) from City of Roanoke								
▲▼	Large variation (higher or lower percent) from City of Roanoke								
Geography	Housing Units 2000	Single Family Detached	Single Family Attached	Duplex	Three or Four Units	Five to Nine Units	10 to 19 Units	20 or More Units	Mobile Home
City of Roanoke	45,257	61.5%	2.4%	9.0%	4.9%	6.3%	9.8%	5.3%	0.7%
Botetourt County	12,571	▲	▼	▼	▼	▼	▼	▼	▲
Craig County	2,554	↑	▼	▼	▼	▼	▼	▼	▲
Franklin County	22,717	↑	▼	▼	▼	▼	▼	▼	▲
Roanoke County	36,121	▲	▲	▼	▼	▼	▼	▼	▲
City of Salem	10,403	↑	▲	▼	▼	▼	↔	▼	▲
Metro Area	129,623	↑	↔	▼	▼	▼	▼	▼	▲
Census Tract 11	168	▼	▲	▲	▲	▲	↔	▼	▼
Census Tract 1	1,669	▲	↓	▼	▼	▼	▼	▼	▼
Census Tract 2	1,957	↑	↔	▼	▼	▼	▲	▼	▼
Census Tract 3	2,269	↔	▼	▼	↓	▼	▲	▼	▲
Census Tract 5	2,335	↔	▼	↓	▼	↓	↔	▲	▲
Census Tract 7	1,738	↓	▲	↔	▲	▲	▼	▲	▼
Census Tract 8	1,174	↑	▲	▲	↔	▼	▼	▼	▼
Census Tract 9	2,331	▼	▲	▼	▲	▲	▲	▲	▲
Census Tract 10	1,291	▼	▼	▲	▲	▲	▼	▼	▲
Census Tract 12	2,179	▼	↔	▲	▲	▲	↔	▲	▼
Census Tract 13	1,861	↔	▼	▲	▲	▼	▼	▼	▼
Census Tract 14	1,666	↑	▼	▲	▼	▼	▼	▲	↔
Census Tract 18	2,096	↔	↓	▲	▲	▲	▼	↑	▼
Census Tract 19	2,501	↓	▼	▲	▼	↔	▲	↓	▼
Census Tract 4	2,450	↑	▼	▼	▼	▼	▼	▲	▼
Census Tract 6	3,393	↔	▲	▲	▼	▼	↔	▼	↓
Census Tract 15	2,175	▲	▲	↑	▼	▼	▼	▼	▼
Census Tract 16	2,686	↔	▼	▼	↔	▲	↔	↓	▲
Census Tract 17	1,626	▼	▼	▼	▲	↔	▲	▲	▼
Census Tract 20	2,220	▲	▼	▼	▼	▼	▼	▼	▼
Census Tract 21	1,994	↔	▲	▼	▼	↑	▼	▲	▼
Census Tract 22	1,225	▲	▼	▼	▼	▼	▲	▼	▼
Census Tract 23	2,253	↑	▲	▼	▼	↔	▲	↓	▲
Downtown	168	▼	▲	▲	▲	▲	↔	▼	▼
Central City	25,067	↔	↔	▲	▲	↑	↔	↓	▲
Outer City	20,022	↔	↔	▼	▼	↓	↔	↑	▼

## Age of Housing

Roanoke clearly has an older housing stock than its neighbors in the metro area, as illustrated by Table 5-2 on the following page. Much like the previous table, this one compares the differences in the age of housing (based on “year structure built” from the 2000 census) for various sub-areas of the Roanoke region, including census tracts within the city.

A blackened triangle represents an area where there is a large difference between the age of the housing stock in that area compared the City of Roanoke. A triangle pointing upward (▲) indicates that the area's proportion of housing in that age category is at least 1.2 times (120%) the city's percentage. A downward pointing triangle (▼) indicates where the proportion in the subject area is less than 80% of the city's proportion.

An upward pointing arrow (↑) indicates where the area has only a slightly higher percentage (between 1.1 and 1.2 times the city) in that age category than the city as a whole. A downward pointing arrow (↓) indicates that there the proportion in that age category is between 0.8 and 0.9 times the city.

A double-headed left-right arrow (↔) indicates that the proportion of housing in that age category is similar to the city—dividing the percentage in the area by the city yields a ratio of between 0.9 and 1.1.

Broadly speaking, the census tracts in the central part of the city tend to have a higher percentage of older housing and less newer housing than the city average—not a surprising finding. On the other hand, the outer census tracts tend to have higher percentages of new housing and fewer older units. The suburban areas demonstrate even sharper gaps between the proportions of newer and older housing.

Despite these tendencies, the census tract data suggest that the City of Roanoke has many internal contrasts. Census tract 9 in the west part of the city, for instance, has a much lower proportion of newer units than the city as a whole, but also a much lower proportion of the oldest units. This is a “middle age” tract, possibly suggesting that different approaches to marketing and financing of improvements or new construction are warranted compared to other areas. Census tract 16 (south city) has a relatively high proportion of housing that is over 60 years in age, but also high proportions for housing that is less than 20 years of age.

Strategic approaches to encouraging investment and reinvestment in city housing, therefore, will have to encompass a wide range of options, even within the same neighborhoods. Older housing is in close adjacency to newer housing in many cases, so it cannot be assumed that a strategy focused on modernization of older housing, for instance, can be applied uniformly. In short, Roanoke has a rich balance of both housing types (see Table 5-1) and housing ages that also contribute to complexities in determining future housing markets and policies.

Table 5-2: RELATIVE AGE OF HOUSING UNITS							
Deviation from City of Roanoke's Distribution of Housing by Age							
↔	Similar distribution as within City of Roanoke as a Whole (plus or minus 2% or less)						
↑↓	Small variation (higher or lower percent) from City of Roanoke (plus or minus 2% to 5%)						
▲▼	Large variation (higher or lower percent) from City of Roanoke (plus or minus over 5%)						
Geography	Housing Units 2000	0-10 Years	10 to 20 Years	20 to 30 Years	30 to 40 Years	40 to 60 Years	Over 60 Years
<b>City of Roanoke</b>	<b>45,257</b>	<b>6.3%</b>	<b>7.1%</b>	<b>13.8%</b>	<b>16.6%</b>	<b>35.3%</b>	<b>21.0%</b>
Botetourt County	12,571	▲	▲	▲	▼	▼	▼
Craig County	2,554	▲	▲	↔	▼	▼	↓
Franklin County	22,717	▲	▲	▲	↓	▼	▼
Roanoke County	36,121	▲	▲	▲	↔	▼	▼
City of Salem	10,403	↑	▲	↑	▲	▼	▼
<b>Metro Area</b>	<b>129,623</b>	<b>▼</b>	<b>▼</b>	<b>▼</b>	<b>▼</b>	<b>▼</b>	<b>▼</b>
Census Tract 11	168	▼	▼	↓	▼	▼	▲
Census Tract 1	1,669	↓	↓	↓	▲	▲	▼
Census Tract 2	1,957	↓	↑	↑	▲	↔	▼
Census Tract 3	2,269	↔	↓	▼	↔	▲	▼
Census Tract 5	2,335	↓	↓	↑	↓	▲	▼
Census Tract 7	1,738	↑	↔	↓	↓	↑	↔
Census Tract 8	1,174	↑	↓	▼	▼	↓	▲
Census Tract 9	2,331	▼	↔	▲	▲	↓	▼
Census Tract 10	1,291	↑	↓	▼	▼	▼	▲
Census Tract 12	2,179	▼	↓	▼	▼	▼	▲
Census Tract 13	1,861	▼	▼	▼	▼	↔	▲
Census Tract 14	1,666	↓	↔	↓	▼	▼	▲
Census Tract 18	2,096	↓	▼	▼	▼	▲	▲
Census Tract 19	2,501	↓	↔	▼	↓	↑	▲
Census Tract 4	2,450	↔	↓	↓	▲	▲	▼
Census Tract 6	3,393	▲	▲	▲	▼	▼	▼
Census Tract 15	2,175	↑	↑	▲	↓	▼	↓
Census Tract 16	2,686	↑	▲	↓	▼	▼	▲
Census Tract 17	1,626	↔	▲	▲	↑	▼	▼
Census Tract 20	2,220	↓	↓	▼	↓	▲	↓
Census Tract 21	1,994	▲	▲	↑	↔	▼	▼
Census Tract 22	1,225	↓	↓	↓	▲	↑	▼
Census Tract 23	2,253	↓	↓	▲	▲	▼	▼
<b>Downtown</b>	<b>168</b>	<b>▼</b>	<b>▼</b>	<b>↓</b>	<b>▼</b>	<b>▼</b>	<b>▲</b>
<b>Central City</b>	<b>25,067</b>	<b>↓</b>	<b>↓</b>	<b>↓</b>	<b>↔</b>	<b>↑</b>	<b>▲</b>
<b>Outer City</b>	<b>20,022</b>	<b>↑</b>	<b>↑</b>	<b>↑</b>	<b>↑</b>	<b>↓</b>	<b>▼</b>

## Owner + Renter Occupancy

Just over half of Roanoke's housing was owner-occupied in 2000 (52.2%) despite a fairly strong proportion of single-family detached homes (which are most typically occupied by home owners). In strong contrast, owner occupancy in Roanoke County was 74.1%, which was well above the national average of 59.6% of all housing.

This suggests that renters—for any number of reasons, in fact, occupy a great deal of the housing normally occupied by homeowners. Former occupants often retain ownership in housing as investment properties by it them to other households. The economic ability of many central city households to afford homeownership may be lacking, so the normal homeowner market shifts to attracting renters. Moreover, housing in central cities is frequently attractive to more transient households (those new to the region or only temporarily based in Roanoke) because it is convenient to most activities and is modestly priced. Transient households, or those who think they may be relocating in a short time, often do not want to make the commitment of owning their dwelling.

Table 5-3 indicates how much the various parts of the metropolitan area, including city census tracts, vary in terms of housing tenure when compared to the city percentages. Owner occupancy is much higher than the city average in Botetourt and Roanoke Counties, for instance, than in the city while renter occupancy is much lower

Homeownership is much higher than the city average in five census tracts, and much lower in two. It is about the same in another eight tracts. This distribution suggests that, again, Roanoke has many contrasts within its city housing market. The much higher ownership rates appear to be in the west and northwest parts of the city but the differences between the central city and outer city tracts are relatively small.

Increasing the rate of homeownership is frequently a desirable goal because it symbolizes significant commitment to neighborhood improvements as homeowners seek to increase the value of their investments over time. While 100% homeownership should not be a goal because there is always need for rental options, it is clear that Roanoke may be able to increase its share of homeowners if appropriate policies and incentive tools are adopted. But it is also clear that such efforts need not be focused citywide.

Table 5-3: RELATIVE HOUSING TENURE AND VALUES					
Deviation from City of Roanoke's Distribution of Tenure & Values/Rents, 2000					
↔	Similar distribution as within City of Roanoke as a Whole (plus or minus 6% or less)				
↑↓	Small variation (higher or lower percent) from City of Roanoke (plus or minus 6% to 12%)				
▲▼	Large variation (higher or lower percent) from City of Roanoke (plus or minus over 12%)				
Geography	Total Housing Units	Owner Occupied	Renter Occupied	Median Value	Median Rent
City of Roanoke	45,257	52.2%	40.6%	\$80,300	\$448
Botetourt County	12,571	▲	▼	▲	↑
Craig County	2,554	▲	▼	↑	↓
Franklin County	22,717	▲	▼	▲	↓
Roanoke County	36,121	▲	▼	▲	▲
City of Salem	10,403	▲	↓	▲	▲
<b>Metro Area</b>	<b>129,623</b>	<b>↔</b>	<b>▼</b>	<b>▲</b>	<b>↔</b>
Census Tract 11	168	▼	▲	↓	↓
Census Tract 1	1,669	↑	↓	↓	▲
Census Tract 2	1,957	↔	↔	↓	↑
Census Tract 3	2,269	↔	↔	↔	↑
Census Tract 5	2,335	↔	↑	↓	↔
Census Tract 7	1,738	▼	↑	↓	↓
Census Tract 8	1,174	▼	↑	↓	↔
Census Tract 9	2,331	▼	▲	↓	↓
Census Tract 10	1,291	▼	▲	↓	↓
Census Tract 12	2,179	▼	▲	↑	↓
Census Tract 13	1,861	▼	↑	↓	↓
Census Tract 14	1,666	↔	↔	↓	↔
Census Tract 18	2,096	↓	↑	↑	↔
Census Tract 19	2,501	↓	↑	↑	↔
Census Tract 4	2,450	↑	↔	↑	▲
Census Tract 6	3,393	↔	↔	↔	▲
Census Tract 15	2,175	↑	↔	↓	↔
Census Tract 16	2,686	↔	↔	▲	▲
Census Tract 17	1,626	▼	▲	▲	↑
Census Tract 20	2,220	▲	▼	▲	▲
Census Tract 21	1,994	↔	↔	▲	▲
Census Tract 22	1,225	▲	▼	↓	▲
Census Tract 23	2,253	↑	↓	↑	▲
<b>Downtown</b>	<b>168</b>	<b>▼</b>	<b>▲</b>	<b>↓</b>	<b>↓</b>
<b>Central City</b>	<b>25,067</b>	<b>↓</b>	<b>↑</b>	<b>↓</b>	<b>↓</b>
<b>Outer City</b>	<b>20,022</b>	<b>↔</b>	<b>↔</b>	<b>▲</b>	<b>▲</b>



## HOUSEHOLD SEGMENTATION ANALYSIS

Analysis of census demographic data reveals notable differences in dominant characteristics of people living in Roanoke when compared to those living elsewhere in the metropolitan area. There are many similarities, too, but it is valuable to isolate the characteristics of those now living in the city, count them, and thereby determine how many such households living outside the city match such characteristics. This can be an early indicator of the scale of suburban residents that might be attracted into the city if housing conditions warrant.

The source for the segmentation breakdown described below is the PRIZM system used by Claritas, Inc., an independent demographic analysis vendor. PRIZM attempts to classify each household in the United States into 48 categories that broadly aggregate dominant traits.<sup>15</sup> Development Strategies obtain the breakdowns for the City of Roanoke and, separately, for the entire metropolitan area. Subtracting the numbers of households in each category living in the city from those living in the MSA yields the number of households in the suburbs with characteristics similar to city residents. These suburban households can, therefore, become targets for marketing city housing.

### EXISTING CITY HOUSEHOLDS COMPARED TO THE METROPOLITAN AREA

As shown on Table 6-1, the data for Roanoke classify 42,291 households in the city and 58,415 households outside of the city but still within the metropolitan area. Of the 50 categories, 11 are not found in the City of Roanoke, including “unclassified”<sup>16</sup>. Of these 11, four have households in the suburban areas while the other seven have no households in the metro area at all. In other words, of the 48 useful classifications, 42 have at least one household in the MSA while 38 have at least one household in the City of Roanoke.

Table 6-1 also highlights 18 segments that make up at least one percent of the city’s households. These range in numbers from almost 6,400 in the *Settled In* group to 458 in *American Classics*. These 18 segments are separately tabulated on Table 6-2.

Altogether, these relatively strong segments in the city account for just over 39,200 households, or almost 93% of the city’s households. These same groups make up 61,100 households in the metro area (39,200 of which are in the city), or about 61% of all metro area households. Thus, of the *kinds* of households that “dominate” in the city, about 21,900 lived outside the city in the year 2000, or about 37.5% of the households living in the suburban areas.

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<sup>16</sup> There are actually 50 categories, but one is known as “anomalies” for households that don’t seem to fit in any of the other 48, and the other is “unclassified” where household simply couldn’t be segmented fairly.

<sup>17</sup> That is, none of the household in either Roanoke or elsewhere in the metro area was deemed unclassified, even though 140 city households and 185 non-city households are considered “anomalies”.

Of the 18 segments in the city, three have no households living in the suburban areas (*Struggling Metro Mix*, *Difficult Times*, and *Urban Singles*); they are found only in the city. And one (*City Ties*) has just 25 living outside the city, or less than three percent of these metro area households. Only four of the major city segments have more households outside the city than inside, although all four of these exceed 40% in the city.

Table 6-1: Market Segmentation of Households in Roanoke and Metro Area						
PRIZM Analysis, Claritas, Using Census 2000						
	City of Roanoke		Metro Area		Outside of City	
	Number	Percent	Number	Percent	Number	Percent
1 Upper Crust	392	0.9%	394	0.4%	2	0.0%
2 Lap of Luxury	0	0.0%	0	0.0%	0	0.0%
3 Established Wealth	8	0.0%	1,088	1.1%	1,080	1.8%
4 Mid-Life Success	289	0.7%	2,267	2.3%	1,978	3.4%
5 Prosperous Metro Mix	0	0.0%	53	0.1%	53	0.1%
6 Good Family Life	108	0.3%	5,596	5.6%	5,488	9.4%
7 Comfortable Times	82	0.2%	1,234	1.2%	1,152	2.0%
8 Movers and Shakers	1,695	4.0%	3,265	3.2%	1,570	2.7%
9 Building A Home Life	0	0.0%	97	0.1%	97	0.2%
10 Home Sweet Home	254	0.6%	6,352	6.3%	6,098	10.4%
11 Family Ties	10	0.0%	3,131	3.1%	3,121	5.3%
12 A Good Step Forward	500	1.2%	853	0.8%	353	0.6%
13 Successful Singles	0	0.0%	0	0.0%	0	0.0%
14 Middle Years	95	0.2%	351	0.3%	256	0.4%
15 Great Beginnings	657	1.6%	5,496	5.5%	4,839	8.3%
16 Country Home Families	11	0.0%	6,380	6.3%	6,369	10.9%
17 Stars and Stripes	0	0.0%	0	0.0%	0	0.0%
18 White Picket Fence	2,378	5.6%	4,085	4.1%	1,707	2.9%
19 Young and Carefree	48	0.1%	101	0.1%	53	0.1%
20 Secure Adults	1,834	4.3%	4,250	4.2%	2,416	4.1%
21 American Classics	458	1.1%	839	0.8%	381	0.7%
22 Traditional Times	1,256	3.0%	2,887	2.9%	1,631	2.8%
23 Settled In	6,398	15.1%	10,904	10.8%	4,506	7.7%
24 City Ties	836	2.0%	861	0.9%	25	0.0%
25 Bedrock America	2,724	6.4%	6,303	6.3%	3,579	6.1%

Table 6-1: Market Segmentation of Households in Roanoke and Metro Area						
PRIZM Analysis, Claritas, Using Census 2000						
	City of Roanoke		Metro Area		Outside of City	
	Number	Percent	Number	Percent	Number	Percent
26 The Mature Years	35	0.1%	90	0.1%	55	0.1%
27 Middle of The Road	136	0.3%	350	0.3%	214	0.4%
28 Building A Family	2,204	5.2%	4,244	4.2%	2,040	3.5%
29 Establishing Roots	710	1.7%	1,448	1.4%	738	1.3%
30 Domestic Duos	669	1.6%	1,123	1.1%	454	0.8%
31 Country Classics	13	0.0%	455	0.5%	442	0.8%
32 Metro Singles	239	0.6%	243	0.2%	4	0.0%
33 Living Off The Land	0	0.0%	49	0.0%	49	0.1%
34 Books and New Recruits	0	0.0%	221	0.2%	221	0.4%
35 Buy American	1,532	3.6%	2,600	2.6%	1,068	1.8%
36 Metro Mix	0	0.0%	0	0.0%	0	0.0%
37 Urban Up and Comers	0	0.0%	0	0.0%	0	0.0%
38 Rustic Homesteaders	4	0.0%	4,402	4.4%	4,398	7.5%
39 On Their Own	4,992	11.8%	5,360	5.3%	368	0.6%
40 Trying Metro Times	6,045	14.3%	7,456	7.4%	1,411	2.4%
41 Close-Knit Families	3	0.0%	3	0.0%	0	0.0%
42 Trying Rural Times	1	0.0%	1	0.0%	0	0.0%
43 Manufacturing USA	581	1.4%	585	0.6%	4	0.0%
44 Hard Years	28	0.1%	38	0.0%	10	0.0%
45 Struggling Metro Mix	1,567	3.7%	1,567	1.6%	0	0.0%
46 Difficult Times	2,806	6.6%	2,806	2.8%	0	0.0%
47 University USA	0	0.0%	0	0.0%	0	0.0%
48 Urban Singles	553	1.3%	553	0.5%	0	0.0%
49 Anomalies	140	0.3%	325	0.3%	185	0.3%
50 Unclassified	0	0.0%	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>42,291</b>	<b>100.0%</b>	<b>100,706</b>	<b>100.0%</b>	<b>58,415</b>	<b>100.0%</b>

These tables are meant to illustrate the kinds of households that seem to prefer central city living. Therefore, more of their kind might be easily attracted into the city if appropriate housing (and maybe some other conditions) is in place. Thus, there may be as many as 21,200 potential city households living in the suburban areas that have characteristics favorable to the city environment.

If all 21,200 of these households could be attracted into the city without loss of existing households, city housing and population would increase by approximately 50 percent, a rather large increase. While such an influx should not be expected, the City of Roanoke should look upon these numbers as an indication that urban environments have a certain popularity to them and that not all potential urban dwellers are enjoying those environments.

<b>Table 6-2: Market Segmentation of Highest Count Households in Roanoke</b>						
<i>PRIZM Analysis, Claritas, Using Census 2000</i>						
	<b>City of Roanoke</b>		<b>Metro Area</b>		<b>Outside of City</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
8 Movers and Shakers	1,695	4.0%	3,265	3.2%	1,570	2.7%
18 White Picket Fence	2,378	5.6%	4,085	4.1%	1,707	2.9%
20 Secure Adults	1,834	4.3%	4,250	4.2%	2,416	4.1%
21 American Classics	458	1.1%	839	0.8%	381	0.7%
22 Traditional Times	1,256	3.0%	2,887	2.9%	1,631	2.8%
23 Settled In	6,398	15.1%	10,904	10.8%	4,506	7.7%
24 City Ties	836	2.0%	861	0.9%	25	0.0%
25 Bedrock America	2,724	6.4%	6,303	6.3%	3,579	6.1%
28 Building A Family	2,204	5.2%	4,244	4.2%	2,040	3.5%
29 Establishing Roots	710	1.7%	1,448	1.4%	738	1.3%
30 Domestic Duos	669	1.6%	1,123	1.1%	454	0.8%
35 Buy American	1,532	3.6%	2,600	2.6%	1,068	1.8%
39 On Their Own	4,992	11.8%	5,360	5.3%	368	0.6%
40 Trying Metro Times	6,045	14.3%	7,456	7.4%	1,411	2.4%
43 Manufacturing USA	581	1.4%	585	0.6%	4	0.0%
45 Struggling Metro Mix	1,567	3.7%	1,567	1.6%	0	0.0%
46 Difficult Times	2,806	6.6%	2,806	2.8%	0	0.0%
48 Urban Singles	553	1.3%	553	0.5%	0	0.0%
<b>TOTAL</b>	<b>39,238</b>	<b>92.8%</b>	<b>61,136</b>	<b>60.7%</b>	<b>21,898</b>	<b>37.5%</b>

It is also important to point out that many current city households might move to the suburbs were conditions such to enable this shift. Most often, the driving factor for not moving to the suburbs is lack of financial resources. If the incomes of current city residents could improve (with greater education, skills training, and general economic growth), the city would do well to improve housing and neighborhood choices so that such households will consider remaining as city residents.

Of those segments where the city might focus marketing efforts, the following briefly describes those where the city presently is home to between 40% and 80% of the MSA's households. That is, there are ample numbers of non-city residents in these categories to, perhaps, warrant targeted marketing campaigns.

Of particular note among these descriptions, however, is that the overall demographics of *existing city residents* are weighted toward households at the lower end of the economic and educational strata. There are many references to below average educations, below average housing values, and below average incomes. Addressed in the subsequent section, therefore, are the kinds of households in the metropolitan area that are poorly represented in the city at present but might become targets for more urban accommodations.

Number 8  
Movers and Shakers  
Roanoke has 52% of these households in the city, leaving about 1,570 households outside the city.

These are households containing singles or couples, almost all of whom are employed, and there are virtually no children present. They have high levels of both education and income. They are less likely than average to be married.

Movers and Shakers have a median household income 60% above the MSA average and rank fourth among the 50 segments in terms of per capita income. They are over twice as likely to have received a bachelor or post graduate degree, and rank third in working in white-collar occupations. They also rank third in working in professional specialties, fifth in executive and managerial occupations, and eighth in sales positions. About one-third are renters and they pay a rent, which is almost 50% above average.

Number 18  
White Picket Fences  
Roanoke has 59% of these households in the city, leaving about 1,700 households outside the city.

These are typically suburban families with one or two children. They have household incomes around the national average, live in owner-occupied housing and work in blue-collar occupations.

White Picket Fence adults tend to be between 30 and 39 years, while children are under fourteen. They are more likely than average to be married-couple family households with children (about 40% of these households have children). They are also 10% more likely than average to have between three to four persons in the household.

Their median household income is just below average and their per capita income is 14% below average. Their concentration in suburban areas is very high and an average percentage lives in urban areas.

Number 20  
Secure Adults  
Roanoke has 58% of these households in the city, leaving about 1,700 households outside the city.

These are older singles and couples, living mainly in the suburbs with no children and a household income just below the national average. Typically homeowners, they live in single detached or mobile homes.

These households are 7% more likely than average to contain one person and 14% more likely to contain two people. They typically contain married couples or previously married females and have a smaller than average household size. Their median household income is 7% below the national average, and their per capita income is 3% below average.

The percent working in white and blue-collar occupations is very close to the national average (58% and 42%, respectively). They have the fourth highest share of civilian veterans. They are 10% more likely than average to live in an owner-occupied, single family, detached unit.

Number 21  
American Classics  
Roanoke has 55% of these households in the city, leaving about 380 households outside the city.

These are older singles and couples living in suburban and rural areas. They are both homeowners and renters, with medium-low education and near average household incomes, many with retirement income.

Adults in this segment are typically over 60 years, and are more than twice as likely as average to be over 75, ranking them third in average age. Over two-thirds of these households are singles and couples, and they are more likely than average to live in non-family households or group quarters.

Their median household income is 10% below the national average, but due to their smaller than average household size, per capita income is 7% above average.

	<p>American Classics are typically married or previously married females. One in four has not graduated from high school and most have not attended college. They are slightly more likely than average to work in sales, executive and managerial, professional specialty, and farming, fishing, and forestry occupations, but also rank fifth in having no worker in the household.</p> <p>Although 52% live in single unit detached structures, they have a higher than average share living in single unit attached houses, mobile homes, and in structures with 3 or more units (particularly those with 50+ units).</p>
<p>Number 22 Traditional Times Roanoke has 44% of these households in the city, leaving about 1,630 households outside the city.</p>	<p>This segment is comprised of singles and couples with one or two children. They have medium-low levels of income and education and are primarily located in suburban areas. They live in owner-occupied units and work in blue-collar occupations.</p> <p>This segment contains a higher than average concentration of adults in all age ranges over 55, particularly in the 65 to 84 range. Traditional Times have slightly fewer than average households with children, but slightly more of these households than average contain married couples. They have an about average likelihood of having three to four persons in the household and are 8% more likely than average to have two persons.</p> <p>Their household income is 11% below the national average and their per capita income is 16% below. Households in this segment are found in suburban areas at a rate 46% above average, and they are 13% more likely to own their home. They are 21% more likely than average to have ended their education after graduating high school, and are 13% more likely to work in a blue-collar occupation.</p>
<p>Number 23 Settled In Roanoke has 59% of these households in the city, leaving about 4,500 households outside the city.</p>	<p>These are primarily older couples, with no children in the household, or single person households. They live in suburban areas, have medium levels of income and education and a high likelihood of being retired. Adults in this segment are more likely than average to be over age 55, particularly in the over 70 age range. They rank fifth in average age and third in having two people in the household.</p> <p>Their household income is 7% below average, while their per capita income is just 1% below. They rank second for share of households receiving retirement income (47% above average).</p> <p>They are 13% more likely to own their home with property values that are 16% below average, and they rank second in living in housing built between 1940 and 1959. They are more likely than average to have graduated high school, and about average in attending at least some college. They work in white and blue-collar occupations at levels similar to the national average, but score over 10% above average for both the administrative support and protective service occupations.</p> <p>They also score above average for living in single housing units and duplexes, and having one vehicle in the household.</p>
<p>Number 25 Bedrock America Roanoke has 43% of these households in the city, leaving about 3,580 households outside the city.</p>	<p>This segment consists of families with children. They have relatively low incomes and education levels, are homeowners with low property values, and work in blue-collar occupations.</p> <p>The median household income is 15% below average and the per capita income is 21% below. They are 19% more likely than average to have just attended some high school. They are 22% more likely than average to work in blue-collar occupations, ranking sixth in precision products and crafts. They are 10% more likely to own their home, and their property value is 28% below average. Their housing is typically a single detached unit (12% above average) or mobile home (almost twice the national average). About 60% of these households have two or more vehicles.</p>
<p>Number 28</p>	<p>These households consist of younger than average adults and their children and help to describe the</p>

Building A Family  
Roanoke has 52% of these households in the city, leaving about 2,040 households outside the city.

predominant Roanoke resident. They have low incomes, low property values, and low education levels. This segment is more likely than average to have children and is over 10% more likely than average to have five or more people in the household. These households are less likely than average to have continued their education beyond high school. They are 27% more likely than average to work in blue-collar occupations. They are more likely than average to live in housing built prior to 1939, and typically have no automobiles.

Number 29  
Establishing Roots  
Roanoke has 49% of these households in the city, leaving about 740 households outside the city.

These also typically have large numbers of children living in older homes. They have low incomes, low property values, and low education levels. The age distribution of adults in this segment roughly mirrors that of the nation, while children under age 17 are present at an above. Their median and per capita incomes are 27% and 29% below the national average, respectively, and they are 60% more likely than average to have an income below the poverty level.

Number 30  
Domestic Duos  
Roanoke has 60% of these households in the city, leaving about 450 households outside the city.

This segment consists primarily of seniors, with one or two people in the residence. They live in one-unit attached and multi-unit housing, have a medium-low income level and almost one-third receive retirement income. Domestic Duos adults rank first in all age ranges between 60 and 84 years, and are very unlikely to be 55 and under. This results in this segment having the highest average age (39% above average). Children are present in a very low percentage of these households (16%). They rank first in the concentration of two-person households and are also well above average in one-person households. While household income is below average, they are twice as likely as average to receive retirement income (ranking first), helping to push per capita income 10% above average. Among those still working, they rank seventh in working in sales positions, and tenth in protective services. Most are homeowners with property values 3% above the MSA mean.

Number 35  
Buy American  
Roanoke has 59% of these households in the city, leaving about 1,070 households outside the city.

These are married families, many with children. Most are homeowners with low property values and household incomes, working in blue-collar occupations. Relatively few have education beyond the high school level. Buy American households more likely than average to be married couple family households. Their household and per capita incomes are 29% below average. Most adults have not gone beyond a high school education. Most workers are employed in blue-collar professions and they rank sixth in machine operator, and transportation and material moving occupations. For their housing, this segment lives mostly in owner-occupied, single family units. They have the fifth lowest property values, however, with a median property value 46% below the MSA average, and half live in homes built before 1959. They are 21% more likely than average to have no worker in the household.



## OTHER DOMINANT HOUSEHOLD SEGMENTS OUTSIDE THE CITY OF ROANOKE

Now that the City of Roanoke has been segmented to profile who lives there at present, it is valuable next to profile dominant types of non-city households. It is these groups that may become additional targets for marketing of city neighborhoods especially if a goal is to attract more affluent and educated populations into the city.

Table 6-3 highlights those segments that have very little presence in the City of Roanoke but have a very large number of households elsewhere in the metropolitan area. Overwhelmingly, these segments contain relatively wealthy households and/or those who prefer rural or semi-rural environments. Most of the segments have high educational levels and are family households with children. In short, they have most of the characteristics desirable to many neighborhoods but are found primarily in suburban environments (or, as noted, rural settings).

The wealthier and older segments, however, might also be classified as candidates for more urban settings in well-appointed, low maintenance housing when they become empty nesters. These people generally have high-level white-collar occupations and ample assets. Selling their suburban homes in favor of an urban condo or higher density location can be a realistic option for many of them, although they will clearly be shrewd housing shoppers and investors.

Nevertheless, these groups represent a relatively large number of households that, effectively, have almost no presence inside the City of Roanoke but are likely to be familiar with the city as metropolitan area residents. Creating more housing options in the city for such groups can be a means for creating more socio-economic diversity in the city while increasing the overall level of wealth and, as a consequence, civic leadership.

Table 6-3: Market Segmentation of Highest Count Households in Metro Area						
<i>PRIZM Analysis, Claritas, Using Census 2000</i>						
	City of Roanoke		Metro Area		Outside of City	
	Number	Percent	Number	Percent	Number	Percent
3 Established Wealth	8	0.0%	1,088	1.1%	1,080	1.8%
4 Mid-Life Success	289	0.7%	2,267	2.3%	1,978	3.4%
6 Good Family Life	108	0.3%	5,596	5.6%	5,488	9.4%
7 Comfortable Times	82	0.2%	1,234	1.2%	1,152	2.0%
10 Home Sweet Home	254	0.6%	6,352	6.3%	6,098	10.4%
11 Family Ties	10	0.0%	3,131	3.1%	3,121	5.3%
15 Great Beginnings	657	1.6%	5,496	5.5%	4,839	8.3%
16 Country Home Families	11	0.0%	6,380	6.3%	6,369	10.9%
38 Rustic Homesteaders	4	0.0%	4,402	4.4%	4,398	7.5%
<b>TOTAL</b>	<b>1,423</b>	<b>3.4%</b>	<b>35,946</b>	<b>35.7%</b>	<b>34,523</b>	<b>59.1%</b>

Number 3  
Established Wealth  
Roanoke has 0.7% of these households in the city, leaving about 1,080 households outside the city.

These are families with and without children. They are typically homeowners located in suburban areas. They have very high levels of income and education and work in white-collar occupations.

Established Wealth adults are 30% more likely than average to be between the ages of 45 and 54 and their children are more likely than average to be between 15 and 17 years old. Over 70% are married households, and they are 16% more likely than average to have children.

Their median household income is 91% above the national norm, ranking this segment third. Established Wealth households are the second most likely to live in the suburbs. They are more than twice as likely as average to have a bachelor or post-graduate degree, and over 80% work in white-collar occupations. They rank particularly high in the sales, executive, management, and professional specialty categories.

Their median home property value is 67% higher than average and the Established Wealth segment ranks well above average for the share of homes valued above \$100,000. These households typically contain two or three workers, and almost half of their homes were built between 1960 and 1979.

Number 4  
Mid-Life Success  
Roanoke has 12.7% of these households in the city, leaving about 1,980 households outside the city.

These are households with very high incomes living in suburban areas. They are homeowners with very high property values, who primarily work in white-collar occupations. Adults in this segment are over 20% more likely than average to be between 45 and 59 years old.

Mid-Life Success households have median incomes 85% above average. These households are more likely than average to contain two to four people and just over 36% have children, which is average. This segment ranks ninth and tenth in having a bachelors or post-graduate degree respectively, and eighth in having a white-collar occupation. Specifically, they rank sixth in sales, seventh in executive and managerial, and ninth in professional specialty positions.

They are over 10% more likely than average to have two or more workers in the household, and rank in the top ten in terms of number of vehicles. A majority owns their home, which typically has a value of over two-and-a-half times the national norm.

Number 6  
Good Family Life  
Roanoke has 1.9% of these households in the city, leaving about 5,490 households outside the city.

These are typically high-income, married couples with children. They live in owner-occupied, single family detached units in rural areas. They have a high level of education and work in white-collar occupations.

Good Family Life adults are more likely than average to be between the ages of 40 and 54 years, and over 10% more likely than average to have children age 10 to 17. Their median household income is 66% above average, and they have the highest concentration of

	white households (96%).
	These adults are 19% above average to be married and extremely likely to live in owner-occupied and single family detached housing. Over 80% of these households are located in non-metropolitan areas.
	Although they are primarily located in rural areas, their property values are more than 50% higher than average. They rank second in having associate degrees and are over 40% more likely than average to have bachelors or post-graduate degrees. They are 15% more likely to have a white-collar job, ranking highest in technical support and executive and managerial occupations.
Number 7	These are typically high-income households, with slightly older than average married couples, with and without children. They live in the suburbs, own their homes, have high levels of education, and work in white-collar occupations.
Comfortable Times	These households have a median household income, which is 60% above average, and are more likely than average to receive retirement income. They are over 25% more likely than average to be between 50 and 69. They rank sixth in two person households.
Roanoke has 6.6% of these households in the city, leaving about 1,150 households outside the city.	Over 72% of these households are found in the suburbs, ranking them third. Over 80% of these households own their home and they typically live in detached single-family units. They have property values that are more than 44% higher than average. They rank above average in terms of having attended some college and obtained a degree. They are also 25% more likely than average to be employed in white-collar occupations.
Number 10	Home Sweet Home households are typically married couples with one or no children at home. They have above average household incomes, own their homes, and are primarily concentrated in the suburbs.
Home Sweet Home	Adults in the Home Sweet Home segment are more likely than average to be between 50 and 69. Children are present in about 36% of these households. They rank in the top 15 in both median household and per capita income, and rank ninth in the percentage that receive retirement income. These households are more likely than average to contain two to four people.
Roanoke has 4% of these households in the city, leaving about 6,100 households outside the city.	They have an above average likelihood of having a college or graduate degree and they are 18% more likely than average to have a white-collar occupation. In particular, they are over 20% more likely than average to work in executive, managerial, and professional specialty positions.
	Almost 80% own their homes and their property values about one-third higher than average. They typically have two or more vehicles and workers in the household, drive alone to work, and have an about average commute time of just under 22 minutes.

<p>Number 11</p> <p>Family Ties</p> <p>Roanoke has 0.3% of these households in the city, leaving about 3,120 households outside the city.</p>	<p>These households are generally families with children, living in suburban areas. They have medium-high levels of income, have attended some college, and live in houses built between 1960 and 1979.</p> <p>These households are 15% more likely than average to have children between the ages of 10 and 17, and adults are typically between the ages of 35 and 49 years. They are about 40% more likely than average to have three to six people in the household, giving them the fifth largest household size.</p> <p>Almost this entire segment lives in family households, and over 50% of them have children. While their median household income is 39% above average, their per capita income is just below average due to their large household sizes.</p> <p>This segment ranks third in having attended some college, and fourth in having received an associates degree, but they score slightly below average in having a bachelors degree. They rank in the top ten in technical support, administrative support, and protective service occupations, as well as for being in the armed forces or civilian veterans.</p> <p>They are the fourth most likely to live in a one-unit detached structure. They are more likely than average to have more than two workers and vehicles in the household.</p>
<p>Number 15</p> <p>Great Beginnings</p> <p>Roanoke has 12% of these households in the city, leaving about 4,840 households outside the city.</p>	<p>These are typically households with one or two young adults, living in renter-occupied housing and located in urban and suburban areas. Their household incomes are slightly higher than average, as is the percent that have college degrees and white-collar occupations.</p> <p>This segment contains younger adults, typically between 25 and 39 years old. Only 30% of these households have children and the children in this segment tend to be under nine years old. While these households are more likely than average to contain one or two persons and have a smaller than average household size, almost 30% contain three to four people.</p> <p>Over 20% of Great Beginnings are non-family households, which is 58% above average. The median household income of this segment is 10% above average.</p> <p>This segment scores above average in all white-collar occupations, particularly technical and administrative support. They are 60% more likely to live in renter-occupied housing, and over twice as likely to live in structures with ten or more units.</p>
<p>Number 16</p> <p>Country Home Families</p> <p>Roanoke has 0.2% of these households in the city, leaving about 6,370 households outside the city.</p>	<p>These are typically married families with children, located in rural areas. They have household incomes just above average, are homeowners, and work in blue-collar occupations. These households typically contain married couples with children.</p> <p>Adults in this segment are more likely than average to be age 45 to 59, and have children age 10 to 17 years. They have slightly above average median household incomes, and a per capita income 6% below average.</p> <p>This segment has the second highest share of white households.</p>

Number 38  
Rustic Homesteaders  
Roanoke has 0.1% of these  
households in the city,  
leaving about 4,400  
households outside the city.

Over 90% of these households live in rural areas, which is more than 3.5 times the average. They rank second in having ended their education after graduating high school. They are 19% more likely to work in blue-collar occupations and rank first in precision production and crafts. Over 81% own their homes and almost 15% live in mobile homes (twice the national average). They rank fourth in having three or more vehicles in the household, and they are almost 50% more likely than average to live in relatively new homes.

Rustic Homesteaders are primarily rural households, containing married, middle aged adults with older children. They have little education beyond high school, relatively low incomes, and work in blue-collar occupations.

Adults in the Rustic Homesteaders segment are more likely than average to be over 50 years of age. Children in this segment are more likely than average to be 10 to 17 years old. They tend to be family households with children present. Both the household and per capita incomes are approximately 30% lower than the national average. This segment ranks third for the percentage of adults having earned a high school diploma as their highest level of schooling completed.

Almost 80% are homeowners, but their property values are 44% below average. One in five Rustic Homesteaders live in a mobile home.

## STRENGTHS, WEAKNESSES, + OPPORTUNITIES IN THE ROANOKE HOUSING MARKET

Four group meetings were convened in February 2004 in Roanoke to discuss regional and city housing market conditions with an eye toward identifying market strengths and niches that the City of Roanoke might exploit. The first of the four meetings was a "Housing Summit" to which a wide range of community representation was invited. The other three meetings were centered on particular groups:

- ⊕ City neighborhood associations and related representatives.
- ⊕ Developers and marketing professionals in residential real estate with considerable experience in the City of Roanoke.
- ⊕ City staff, housing authority staff, and non-profit housing advocates.

Much of the conversation at all four meetings dealt with policy and strategic issues regarding future improvements in the city's housing market. But a great deal of the meeting times was spent in identifying distinguishing characteristics of the city's housing market within the metropolitan market.

### STRENGTHS + ADVANTAGES OF THE CITY HOUSING MARKET

For the most part, all participants in the various discussions rated The City of Roanoke well as a residential environment, an observation that is generally borne out by the findings of this study. Housing is generally viewed as affordable, the city is well managed with good services, the city schools are good, commuting to jobs and shopping is easy, and the environment is friendly. High marks are given to the efforts of the affordable housing professionals and advocacy groups. Indeed, an interpretation of such comments suggests that the city is doing so well in the provision of affordable options that it needs to focus more effort toward products serving a higher income, more economically independent market stratum.

Moreover, city neighborhoods elicit positive comments about their interesting and historic homes and the diversity of housing products such as being able to find a range of rental options along with many single-family homes and townhouses. The beginnings of a loft market in older commercial buildings in or near the downtown is exciting many market observers as a means for Roanoke to reinvigorate the city's core while not destroying its mixed use-mixed architecture charm.

The city is recognized as the region's center. It's where most regional gatherings take place. It is the regional business center. It is where outsiders get their first and most lasting impressions of life in Roanoke Valley. In this regard, there is a strong sense of commitment to the well being of the city, even among suburban residents. Many suburban residents express interest in living in the city but for a lack of the kinds of housing they would like. Very few truly negative,

disparaging comments were heard about the Roanoke housing market. A conclusion is that Roanoke is recognized as a serious participant and competitor in the region's housing market but that the city is missing some key opportunities.

Indeed, a persistently noted strength of the city is its diversity of housing products. For the most part, almost any residential lifestyle can be found in the city, though higher priced, larger units are more difficult to find as are unique products in the urban core of the city (e.g., high rise apartments and condominiums, lofts, live-work spaces, apartments over retail, etc.). But there is a good inventory of many product types in most categories, including rental and ownership choices. A further strength is the presence of special commercial centers in some of the city's neighborhoods to serve the convenience needs of nearby residents—some of these enhanced by specialized restaurants with a broader regional drawing power.

Neighborhoods in the city are perceived as safe. The city is more ethnically diverse than the rest of the region and probably more economically diverse, factors that play to the richness of the city in the minds of most people. While Roanoke is no Arlington or Alexandria in the far larger Washington DC metro area, the city has a sufficient amount of "urban energy" to satisfy most human desire for social interaction in their daily lives.

Thinking more regionally, strengths of settling in the Roanoke Valley favor many locations, including the city. There are ample opportunities to pursue higher education, for example. Downtown, as the region's focal point, is readily accessible from almost anywhere in the metro area. Recreational opportunities abound in the valley, the river is a tremendous if underutilized asset, and the growing network of trails and bikeways encourages both outdoor recreation and intra-regional linkages.

In sum, one of the city's greatest assets for improving the housing stock and its diversity is the people of the entire valley who are very supportive of the city's economic and social health. There is not a strong suburban bias that ignores the city; indeed, there seems to be an effective partnership, of sorts, between suburban and city interests. Future housing changes in the City of Roanoke, therefore, should look to regional forces for support of an even more effective role for the city in the regional housing market.

## **WEAKNESSES + DISADVANTAGES OF THE CITY HOUSING MARKET**

While generally receiving many supporting comments and accolades, the many participants in the group process for this study identified a variety of factors indicating improvements needing to be made. These can lay the groundwork for strategic steps to strengthen certain weaknesses and convert disadvantages to advantages or—at the least—to neutralize these issues so that they do not detract from the housing market.

Age is an important, if unavoidable, weakness of the City of Roanoke. Housing is old, infrastructure is old, commercial buildings are old. Both the public and private sectors can rectify the infirmities of age, however, with sufficient and persistent reinvestment. But there is a perception that age means obsolescence; indeed, sometimes it does, but truly



obsolete structures and infrastructure can be (and should be) replaced while much of the aging housing stock can be retrofitted to meet modern demands while retaining and enhancing the character of the community.

The landlocked nature of the city's boundaries is also seen as a bit of a weakness. Roanoke cannot simply annex more land to develop higher valued real estate to reinforce its tax base, for instance. While there are still many essentially open areas for development in the city, most of the city is already developed so the need is to change a landlocked weakness into a reinvestment strength.

An intriguing twist on the accessibility of downtown and other employment centers in the City of Roanoke is that this means commuting from the suburbs is not a great burden either. Simply "selling" the city as close to many of the region's activities and jobs is not enough; people can already access those assets with relative ease from homes outside the city. One need not live in the city to conveniently utilize city resources.

A great deal of discussion regarding the city's possible housing market weaknesses actually focused on perceptions and attitudes rather than on facts and reality. Among those who regularly consider issues related to the city's housing, the lack of crime, the good school district, the ease of driving, and so on in Roanoke are well known. But suburban or exurban perceptions persist that Roanoke is unsafe and congested, and children are poorly educated. Such perceptions need to be overcome with adequate promotional and informational campaigns but, as a central city, Roanoke will likely have to deal with such perceptions for a long time and should be prepared to do so if its housing market is to reach fuller potential.

Among other perceptions—partially based in reality—is that the city lacks developable sites for housing. As maps and tours demonstrate, this is not entirely the case, although it is true that Roanoke is a mature city in many respects. Most available properties for larger scale developments are on the edges of the city, not in its core, but even core areas can and should be marketed for redevelopment, renovation, and conversion opportunities to satisfy demands for more urban kinds of housing.

Developed areas also tend to be more resistant to change than newly growing areas. As a weakness, this resistance to change even in the face of new demand-based opportunities and deteriorating building conditions can hinder the city's collective will to adapt to changing needs. This is most often expressed through the political system but can also be manifested in the inability or unwillingness of local builders and developers to pursue land use changes. Many times, the professional and financing skills for urban reinvestment are insufficient in a local market, especially a relatively small metro market like the Roanoke Valley. And local lenders can be so unaccustomed to the kinds of deals that need to be made for urban housing that they are resistant to being part of a developer's team.

Still, redevelopment and reinvestment need not be more expensive, overall, or more difficult than "green field" development. The utility and road networks, for instance, are already in place. The public sector, therefore, may be able to assist in the private reinvestment process because fewer dollars are needed for typically public works. Moreover, there is already a charm and character about each city neighborhood that does not have to be created and marketed by developers and builders. A key strategic step toward improving the marketability of city housing, therefore, may be to

redirect the business decision making processes of housing suppliers to demonstrate different allocations of costs while total costs remain similar to suburban environments.

In a few instances, the city's own design guidelines and land use regulations may be hindering the kinds of changes that might otherwise happen. This, in fact, may be a perception problem, too, but city officials need to take a close look at the requirements imposed on city builders to make sure that legitimate attempts to protect the unique character of Roanoke and its neighborhoods do not simultaneously discourage reinvestment and necessary change.

A final weakness pointed out in many different ways is simply the relatively slow growth of the entire Roanoke Valley. While population expansion in and of itself is not necessarily a "good" thing, the fact that there are so few new residents moving in (on a net basis—there are always in and out migrations taking place) means that existing developed areas are often ignored as places that could meet the increasing demand. Suburban locations or "greenfield" sites are more easily developed to absorb the slow pace of growth.

In short, the weaknesses of Roanoke are not uncommon for most central cities in the United States. At one time vibrant, growing communities, they reach maturity and full development while the edges of the metropolitan area continue to absorb growth. Meanwhile, of course, the older housing stock takes on a patina of being obsolete and the older neighborhoods can seem unfriendly to newcomers. Investment and maintenance tail off and a self-fulfilling downward cycle ensues unless stemmed by new forces of market demand and reinvestment.

## **OPPORTUNITIES FOR THE CITY OF ROANOKE HOUSING MARKET**

A remarkable wave of urban housing investment is positively affecting almost every central city in the U.S. today. Fueled by any number and combination of factors, chief among them are the maturation of the post WWII baby boom generation, a backlash to perceptions of urban sprawl, and a desire for changes in the suburban tract housing model.

The baby boomers represent the nation's largest single population cohort. Considered to be those people born between 1946 and 1964, the front edge of this cohort is completing its child raising responsibilities and many more such empty-nest households will be created over the coming decade or so. This is generating a lot of demand for alternatives to suburban, single family homes where families were raised and for lower maintenance housing from a generally quite affluent population that brings both money and numbers to the urban marketplace. Moreover, a significant component of this cohort seeks housing that is closer to walkable services and entertainment but housing that is well appointed to reflect their lifestyles. Most, of course, continue to be in the labor force so they seek housing that is closer to employment centers to avoid long commutes.

Many metro areas have expanded so much geographically that urban centers, including first tier suburbs, have become more popular among those who would prefer not to live further away from the region's center in order to obtain newly built or substantially upgraded housing. While this is less likely to be a major factor in Roanoke since commuting times are short, the matter of "newly built" is not unimportant. Urban pioneers that renovate their own homes are relatively few in

number. Most households prefer only a minimal amount of maintenance, let alone sweat equity, so a burgeoning market for new homes (including condos, rental apartments, townhouses, and single family) and *substantially renovated* homes is being found in older neighborhoods.

A great deal of prospective demand for city housing can be identified, but most of that demand will be satisfied only in units that have benefited from professional construction or reconstruction (as in the case of existing or historic properties that already are part of the neighborhood fabric).

Even suburban tract developers are paying close attention to the wave of interest in new urbanism products, or traditional neighborhood design. The far flung persistence of very similar-looking subdivisions with few nearby commercial amenities and the need to drive an automobile to virtually all activities outside the home are being re-evaluated by newly forming, and some existing households. Of course, new urbanism is, in most of its forms, old urbanism which, in turn, means that older neighborhoods already exhibit many of the characteristics sought by households either tired of the subdivision format or newly forming households seeking a more urban lifestyle (though not necessarily in urban centers; much of the new urbanism development is in new towns or suburban areas).

These market factors, among others, combine with strengths of the City of Roanoke and the prospect of turning weaknesses into strength factors to create several opportunities for attracting a higher-value housing market and a more diverse housing market into city neighborhoods, including downtown. The strategic plan that is to emerge from this market study will address the weaknesses (as well as other factors), so this section of the market analysis recommends realistic market opportunities based on the economic forces present in the greater Roanoke area.

## **INVENTORY AND CATALOGING OF PROPERTIES**

Perhaps one of the easiest and quickest accomplishments for city housing officials to promote city housing development is to create, maintain, and regularly disseminate a tabular and (perhaps more importantly) graphic inventory of available sites and properties in the entire city. Complete with descriptions and expectations, such an inventory will educate prospective builders and developers of opportunities that had never occurred to them.

## **NEW AND SUBSTANTIAL REHAB/RENOVATION**

A large inventory of new and substantially renovated housing can have a remarkable effect on the willingness of people to choose a central city location. Thus, making sites and properties available of sufficient scale to attract professional builders is a major opportunity. Moreover, these opportunities, in particular, should be targeted toward more affluent and, by virtue of that affluence, more discerning buyers. Roanoke lags the rest of the region in homeownership rates (though it need not equal the regional rate; renters tend to prefer more urban locations) and in higher income residents. But higher income residents will not simply move into a middle or lower income neighborhood unless the standards and conditions of those neighborhoods are vastly increased; and they will tend to prefer high quality housing of the new and substantially renovated sort.

## **NEW URBANISM ON LARGER TRACTS**

Roanoke continues to have some inventory of larger tracts of land that can attract housing development. Requiring that these follow specified new urbanism guidelines can create more marketable neighborhoods or adjuncts to existing neighborhoods. Such developments would also be consistent with Roanoke's desire to create small commercial centers in the neighborhoods since new urbanism insists on walkable communities for access to convenience services and community events. By the way, such developments are most often appealing to higher income, wealthier households, so new urbanism principles, if properly implemented, can be a powerful means for attracting a more affluent population into the city.

## **CONVERSIONS OF COMMERCIAL STRUCTURES**

Old cities tend to have obsolete commercial structures (warehouses, factories, office buildings, even retail stores) that nevertheless exhibit a special character reflective of the history and lifestyle of the city. Roanoke is no exception. Moreover, such buildings tend to be located near other commercial and employment centers and along major transportation routes, thus making their locations desirable for many other reasons. While not all old buildings can be converted to profitable housing, architects and developers are increasingly more creative in the design and financing of such structures. And they can offer unique settings and interior plans that are appealing to households wanting a home that is markedly distinct from others.<sup>17</sup>

Conversions typically have a wide range of possible audiences, from those needing entry level and affordable housing to the very affluent. Early efforts would best focus on the more affluent buyer/renter because the standards set by the builders and buyers will encourage others to enter the market, thus increasing supply and lowering costs to favor more affordable options. Affordability, of course, is already a relative strength of Roanoke, in general, in the regional housing market. There is little need to directly cater to this market niche until a higher income and higher educated cohort is reinforced—but the affordable market cannot be ignored, of course.

## **DESIGN GUIDELINES AND REGULATIONS**

The city's goals, regulations, and requirements need to reflect the demands of the marketplace along with those of existing developments and property owners. Indeed, renovations or conversions of existing buildings can have a minimal (if any) external impact on the surrounding environment other than to improve the area. Meanwhile, internal changes can generally reflect up-to-date codes and standards that make such housing safer and more marketable. New housing can be required to match the site plans and architectural styles of the nearby housing.

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<sup>18</sup> Indeed, this is the dominant pattern in market-based urban core housing developments. The desire among more affluent classes has been driving the initial investments—often without substantial public subsidy, unlike affordable housing. A great many of these “early” units are also owner occupied (condos, townhouses, occasional single family detached homes), so they bring with them not only revitalization but also sustained and broad-based investment. Lower priced products follow the introduction of higher valued units to eventually diversify the housing market, but catering to the higher income classes first is almost certainly a viable strategy.

## **CODE ENFORCEMENT, STREETSCAPING, AND CLEANLINESS**

Perhaps tops on the list of affordable actions a city can take to attract more residents and increased housing reinvestment is to make the public areas highly attractive and to cause existing property owners to conform to the high standards expected by newcomers. Street trees, sidewalks in good repair, smooth street surfaces, traffic calming devices, street cleaning and vacant lot policing, etc., all serve to encourage better private property maintenance and to attract new residents and developers.

## **MARKETING AND PUBLIC RELATIONS**

For the most part, bad news travels quickly and persists while the vastly higher quantity of good news is drowned by a few bad reports or rumors. Thus, a persistent campaign favoring the benefits and excitement of living in Roanoke is a necessary and long-term need. With the advice of professional counsel, Roanoke housing officials and related agencies and organizations should create a marketing organization with both public and private resources to oversee the dissemination of “good news” about living in Roanoke. Care should be taken to be realistic, of course. Rumors of and actual “bad news” should be dealt with forthrightly—which will tend to increase the credibility of those who strongly believe in city living. But this should be accompanied by information that clearly distinguishes the occasional unfortunate incident from the far more common advantages and variety of Roanoke’s neighborhoods.

## **SUB-AREA OPPORTUNITIES**

While the totality of housing choices in Roanoke clearly shows that the city offers a huge range of products and neighborhoods, it is unlikely that households with the resources to make housing choices would select poorer or more deteriorated neighborhoods. Indeed, it is unlikely that households with relatively few resources would choose poor and deteriorated neighborhoods if they did not have to. So it is wise to approach market-based solutions to Roanoke’s opportunities that not only capitalize on more affluent parts of the city but also encourage improvements in lower value areas.

The center city census tracts, for instance, tend to have older and lower valued housing. Yet there is a substantial latent demand for central city neighborhood living. Strategic actions that help to reinforce the quality of housing (renovations, replacement, conversions) in the central parts of the city, therefore, should have a powerful effect in attracting more affluent residents who, by virtue of their affluence, will be able to afford the sustained investment that is necessary and will create market demand for neighborhood commercial centers, too.

Attracting affluent buyers and renters through overt public policy, of course, can raise the risk of pushing poorer households out of otherwise good neighborhoods because prices and rents rise too quickly. Thus, the attraction of more affluent households through directed public policy actions must be balanced in ways that enable sound but less affluent households to remain in place. If nothing else, this balance of demographics and incomes is part of the essence of “new

urbanism” so even inadvertent relocations should be minimized in order to maximize the urban neighborhood experience for newcomers.

This potential dichotomy between higher and lower incomes, let alone racial questions, may be more pronounced in the near north and north central neighborhoods than in the near south areas. Roanoke’s relative strengths in homeownership and values tend to be in the southern and outer tracts. Improving the quality of housing in such areas through market forces, therefore, should prove less onerous than in the north and north central areas. Still, efforts to improve homeownership in those neighborhoods where ownership rates are presently quite low can go far in encouraging private investment and, therefore, in sustaining the quality of the housing stock.

A particular strength and special characteristics of the city is its wide range of housing types and ages—and its historic “look” even if some buildings would not necessarily qualify for historic protection. This is also a market strength in many cases. Urban households tend to prefer such diversity as long as the housing is in good condition and meets key contemporary standards for functionality (related to utility capacity, storage space, room sizes, and garages, typically). Thus, actions to preserve the exterior architectural character of most areas should be paramount while encouraging either new construction or substantial upgrades that meet contemporary demands for functionality.

Still, many neighborhoods in Roanoke contain non-conforming architectural styles that have crept in over the years in the absence of consistent design guidelines. Such structures may or may not meet functional standards, but they surely detract from the all-important first impressions necessary to attract investors into the neighborhood. Thus, concerted efforts should be initiated to eliminate structures that are way out of line with prevailing design standards in each neighborhood.<sup>18</sup> Many or all of these properties can be packaged as redevelopment opportunities and offered to developers and builders.

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<sup>19</sup> Non-conforming designs should not be targeted indiscriminately. An unacceptable design in one neighborhood may be just fine in another, depending on the prevailing characteristics of each. Thus, inventories and design guidelines for each neighborhood should probably be done separately to avoid imposition of standards that are in character in one area but out of character in another.

## APPENDIX A: SUMMARY NOTES FROM FOCUS GROUP DISCUSSIONS

### ROANOKE HOUSING SUMMIT

February 3, 2004  
Fitzpatrick Hall, Jefferson Center  
Roanoke, Virginia

Approximately 60 attendees at this breakfast meeting were asked to express their perspectives on critical issues facing the housing market and housing development opportunities in the City of Roanoke. Opening remarks by Darlene Burcham, Roanoke's City Manager, were followed by a presentation of the housing strategic plan process by Mike Etienne, Director of Housing and Neighborhood Services for the city. K.W. Poore & Associates and Development Strategies then facilitated a discussion among all attendees. The following notes summarize and catalog relevant points raised by the participants.

Public Policy and Resource Issues	<p>Put more money in comprehensive plan's implementation. It has very good ideas.</p> <p>City is a finite geographic area. It cannot grow and has no large scale land development opportunities. Thus, city has to be ready to remove bad or inappropriate housing to make way for better housing matching contemporary demands.</p> <p>Roanoke County does not want more housing; it wants more economic development. Is there a way to merge the goals of city (more housing) and county (more economic development)?</p> <p>The tax base of the city does not allow housing to fully support itself. City, too, needs economic development to diversify and broaden the tax base.</p> <p>The structure of local government is flawed in Virginia. Difficult to solve local problems in economic regions when there is no mechanism or motive to employ regional resources at the local level.</p> <p>The middle income housing market is the most difficult to address.</p> <p>Developers prefer high-end housing because of cost recovery and profit margins.</p> <p>There are already good programs to assist in the development of low-income products.</p> <p>Public will have to assist the middle-market developers in the city to overcome cost mismatches.</p> <p>City can facilitate participants in the housing industry.</p> <p>Talk with the various groups.</p> <p>Educate them as to programs, incentives, requirements, expectations, and sources of private resources.</p> <p>Prime the pump with land assembly, infrastructure upgrades, etc.</p> <p>Success of housing policies will be measured in terms of fairness and gentrification impacts. Thus, we</p>
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	<p>must measure these as we proceed.</p> <p>These issues and this conversation are not particularly “new” in Roanoke and, once again, affordability is not being addressed. There’s a mismatch between cost of construction and what the market will bear.</p>
Neighborhood Impact Issues	<p>Some neighborhoods are successful because they have certain “protections” such as historic designation. Others cannot control the kinds and styles of housing, and their design.</p> <p>The free market in unprotected neighborhoods can lead to a downward spiral in neighborhood character and conditions, even with new housing if such new housing is incompatible with existing housing.</p> <p>Moreover, “unprotected” neighborhoods have more properties that fail to meet codes and standards. Design standards and code enforcement are not just for historic districts anymore.</p> <p>There are places in Roanoke where we have to “transform” neighborhoods. Maybe they should not or cannot return to “the way they were.”</p> <p>Most people seem to talk about home ownership, but we need to stress rental as “not a bad thing.” But we do have lots of badly managed rental housing and equally bad landlords.</p> <p>There will be a “transition challenge” in some neighborhoods. Creation of “better” housing can mean at least temporary displacement of existing residents. Where do they go? How do we re-house them?</p>
Regionalism Issues	<p>The housing and job markets are regional, ignoring political boundaries.</p> <p>People live where it best suits them while driving to work where the job best suits them.</p> <p>In the Roanoke area, commuting is neither difficult nor particularly time consuming.</p> <p>Fractionalization is a reality, but is there room for regional cooperation in housing development?</p> <p>Important to bring together all the housing and economic development officials from all regional entities to discuss common issues and pursuits.</p>
Infrastructure Issues	<p>Need for substantial infrastructure improvements in some neighborhoods.</p> <p>Stormwater control.</p> <p>Street upgrades.</p> <p>Sidewalks installed or improved.</p>
Image and Marketing Issues	<p>There are two main reasons that people live where they do: Because they <i>have to</i> and because they <i>want to</i>.</p> <p>City needs to understand the expectations of the “want to” group—including those who have left the city.</p> <p>Develop policies and housing products that address these expectations so people will want to live in Roanoke and choose it over other options.</p> <p>Roanoke has big perception problem in the region.</p> <p>Example is the school system that is perceived as lesser quality (not true, but perception is reality).</p> <p>Therefore, more resources need to be invested in marketing and branding.</p> <p>Roanoke has “the city” as an amenity. That is, new and better housing should not address a suburban</p>

	<p>style of living. Be urban and be proud of it.</p> <p>“Sell” neighborhood and downtown shopping, neighborhood centers (as the comp plan emphasizes).</p> <p>We don’t need “perfect” houses, but we need good places.</p> <p>Redlining, despite illegalities, is real for some neighborhoods. Realtors will not show certain places.</p> <p>Current marketing materials for the Roanoke Valley add to the redlining perception. <i>Roanoke</i> magazine, for instance, does not illustrate diverse neighborhoods, has no photographs of minorities, etc.</p> <p>Roanoke needs to “get the information out” on the qualities of the city. There has to be, first, a strong belief among city residents that the city is the best place to live. Then an external campaign can build on the local spirit.</p>
Types of Housing	<p>Lack of “new” housing or substantially rehabbed housing is a deterrent in the city’s market.</p> <p>There are only so many “urban pioneers” willing to take on “sweat equity” housing.</p> <p>Building new units or improving older units to meet contemporary standards is vital.</p> <p>And the demand is there: Just witness the growth of the suburban areas.</p> <p>Downtown has recently attracted 150 new residents. More such “urban” opportunities need to be created to address issues of housing diversity and attracting younger adult populations.</p> <p>More mixed-use buildings are needed in Roanoke in appropriate settings.</p>
Market Forces and Opportunities	<p>Roanoke region has a very stable housing dynamic. It is slowly growing with relatively few permits each year. This is unlike some markets (such as the District of Columbia) where urban housing demand does not need much public intervention.</p> <p>But there are “new” market niches that match urban lifestyles that can be exploited in the City of Roanoke.</p> <p>Aging population of Baby Boomers with higher incomes. Many want and can afford high luxury and low maintenance close to entertainment.</p> <p>There are too few “downsizing” opportunities for owners of large homes. Helping older residents find suitable and affordable housing within their current neighborhoods is a major opportunity</p> <p>A lack of financial capacity of older households to support housing costs affects the diversity of neighborhoods, the housing conditions, and quality of life.</p> <p>Younger populations seem to be immigrating to Roanoke’s suburbs or other places altogether. The city needs jobs and housing that appeal to young adults.</p> <p>The South Jefferson Development Area is set up partially for that purpose to attract biomed jobs. Links with Virginia Tech University are critical to address this issue.</p> <p>Roanoke has a huge amount of class, income, and racial segregation that needs to be addressed.</p> <p>Indeed, this diversity offers market opportunities if tactfully dealt with</p> <p>There needs to be more education of renters to encourage them to purchase homes and, thereby, begin to build wealth in their homes. Low-income people, in particular, tend to rent for too many years.</p>

	Security is a major issue for seniors and those who wish to downsize.
Development and Developer Capacity	<p>Difficult to find developers and builders willing and capable of constructing urban kinds of homes in urban locations.</p> <p>Perhaps more education is needed of developers. Local builders and developers are capable of urban infill development, but they need strong design guidelines.</p> <p>Are there opportunities for attracting larger, more experienced developers from other parts of the country?</p> <p>City may have to “lead” with infrastructure and public landscaping to create buildable environments competitive with suburban or undeveloped areas.</p>
Possible Case Study Cities	<p>Pittsburgh, PA, has good examples of progressive neighborhood design.</p> <p>Downtown DC is an amazing renaissance.</p> <p>We should look at Greenville, SC.</p> <p>Norfolk, VA redeveloped new neighborhoods 20 years ago that are quite successful.</p>

## FOCUS GROUP MEETING #1—NEIGHBORHOOD ORGANIZATIONS

February 3, 2004 6:00 P.M.

This meeting was designed to obtain input and perceptions on how to improve Roanoke's ability to attract more demographic diversity in the neighborhoods and a greater range of options in housing types, prices, rents, and community amenities. The discussions, led by representatives of K. W. Poore and Associates, Inc. and Development Strategies, Inc. centered on the following points:

What are the benefits of living in Roanoke?	
# Reasonable proximity to downtown	# A mix of housing ages and styles
# Historic values preserved	# An ethnically diverse community
# Beautiful setting	# The river
# Closeness to the outdoors	# A sense of urban energy
What has the City done well in preserving, enhancing, and adding to its livability?	
# Additions to its trails and bikeways	# Development of Neighborhood Watch Programs
# Encouraging home ownership	
What has the City done that has not enhanced its livability?	
# Poor code enforcement	# Widening of major streets, such as Gainsboro Road, has had a negative effect on pedestrians
# Insufficient penalties for owners of derelict properties	# Transportation engineering disregards neighborhoods in favor of moving vehicular traffic
# Insufficient regard for alleys	# Allowing boarded/condemned/vacant structures and lots to accumulate
# Inability to reduce crime	# Disposal of open space and parks to the detriment of certain neighborhoods
# Inadequate enforcement on building maintenance	# Commercial and industrial development s encroached on traditional residential neighborhoods
# Limited success in encouraging home ownership	# There is a need for increased design standards
# Parks that do not encourage users	# A need for more village centers
# An overall sense of apathy	# There is no policy establishing equity in housing
# Vacant land is poorly used	
What are some of the needs that the City could address?	
# More design district overlays	# Enhanced rental inspection program that would assure better maintenance
# Development of jobs to attract people	# Move back to alley collection of solid waste
# Provide more streetscaping	
What does the City need in order to attract those who are choosing to live in the suburbs?	
# The city needs more entertainment opportunities	# The perception is that the City schools are not as good as the suburban schools
# There needs to be more housing choice	# Too many social services serving low-income persons are located in the City
# The City is perceived as being neither responsible nor responsive to issues	

## FOCUS GROUP MEETING # 2—REALTORS, BUILDERS, FINANCIERS

February 4, 2004

⌘ What are the strengths of Roanoke?	
⌘ The necessary infrastructure is in place	⌘ It is a scenic city
⌘ Roanoke has a vibrant downtown	⌘ Health care is excellent
⌘ The City has wonderful access to transportation	⌘ The City is safe and affordable
⌘ The City is in an area of growing wealth	⌘ The City schools are diverse
⌘ The City has a good older demographic	
⌘ What are the weaknesses of Roanoke?	
⌘ The City schools have to compete with suburban schools. Because the City has a broader socio-economic composition, its test scores often look worse than those of the suburbs.	
⌘ The schools are perceived to be less safe than those in the suburbs.	⌘ The City is losing young talent to other areas.
⌘ The City is not perceived as forward thinking.	⌘ There is a stigma attached to the geographic quadrants in the City's nomenclature.
⌘ There is a lack of developable lots.	⌘ The market does not support the design guidelines that the City has adopted
⌘ The City has an older housing stock.	⌘ Approximately 50% of the housing stock is obsolete (not what buyers are seeking).
⌘ The City has a high % of low-income residents.	⌘ The City does not have enough decent, affordable housing.
What opportunities are presented in Roanoke?	
⌘ The City needs to do a better job of sharing the news about the strengths of its schools	
⌘ The zoning regulations need to be more flexible	⌘ The City needs to have an administration that is willing to spend
⌘ The City needs to target expenditures to critical areas	⌘ Victory Stadium
⌘ Neighborhoods need to market themselves	⌘ There is a need for a better inventory of properties available for development
⌘ Housing needs to be considered an economic opportunity	⌘ There is a need to develop strong partnerships with local banks
⌘ The City needs to do a better job of marketing its programs	⌘ The City needs to do more to work with neighborhood organizations
⌘ Non-profits could do more in the poorest neighborhoods	What threatens the future of the City?
⌘ The loss of neighborhood schools as schools are consolidated	⌘ A loss of jobs in traditional industries
⌘ Periodic flooding	⌘ The specter of increased interest rates
⌘ The Dillon Rule that limits what the City can do	⌘ There is a growing "no growth" mentality
⌘ Many residents want the City to stay the way that it is	⌘ Landlords view the City's housing court as a threat
⌘ The perception that the City is overrun with crime and	⌘ City participation with non-profits is considered a

violence	drawback for private investment
⊕ The population is aging and fewer people will be available for the work force	⊕ What neighborhoods are considered opportunities for housing development?
⊕ Old Southwest for both rehabilitation of homes and infill construction	⊕ Southeast, especially around the hospital
⊕ Grandin Court	⊕ Hamilton
⊕ Gainsboro	⊕ Rugby, especially the Heritage Acres acreage
⊕ Williamson Road from 460 to Hershberger	What other cities provide models that Roanoke should emulate?
⊕ Charlotte, N.C.	⊕ Baltimore, MD
⊕ Wilmington, N.C.	Are there any general comments?
⊕ There should be transitional communities where developers can make a profit	⊕ The City has and should encourage pockets of gentrification
⊕ The City should concentrate its efforts on the first ring of development around downtown	⊕ The City government is perceived as both an opportunity and a threat
⊕ The City should re-apply for enterprise zone status	

### FOCUS GROUP MEETING # 3—CITY STAFF, HOUSING AUTHORITY, NON-PROFIT HOUSING ORGANIZATIONS

February 4, 2004

What are the strengths of the City?

- ⊕ Fire protection, EMS, other services are excellent
- ⊕ The City is an area of scenic beauty
- ⊕ The commutes within the City are easy
- ⊕ Housing is affordable
- ⊕ There is a good inventory of housing
- ⊕ The City is comprised of many historic neighborhoods
- ⊕ The City is the cultural center of the metropolitan area
- ⊕ The City is generally a friendly community
- ⊕ The City is the regional business center
- ⊕ Many neighborhoods have neighborhood commercial centers
- ⊕ There are ample opportunities to pursue higher education
- ⊕ The City has an effective housing authority and non-profit housing groups
- ⊕ The City has reasonable utility rates
- ⊕ The City has many strong neighborhood groups
- ⊕ The City's neighborhoods are generally safe

What are the weaknesses of the City?

- ⊕ The infrastructure is old and decaying
- ⊕ The housing stock is older
- ⊕ The City is landlocked and cannot annex additional property without concurrence from the Counties
- ⊕ Short commuting times encourage people to live in the suburbs
- ⊕ Regional attitudes cause fragmentation of services
- ⊕ There is a high demand for social services
- ⊕ There is a general perception that the schools are bad
- ⊕ Resident above the LMI are left out of the redevelopment efforts
- ⊕ Redevelopment costs are high
- ⊕ The housing stock is obsolete
- ⊕ The region has a relatively high real property tax structure
- ⊕ The airport is not a hub

- ⊕ There is a lack of imagination and vision
- ⊕ There is a high percentage of rental units
- ⊕ Peoples lifestyles have changed in ways that it is difficult for the City to effect, i.e. a desire for one-story living
- ⊕ There is a resistance to change in the community
- ⊕ The population is aging
- ⊕ Diversity is undervalued

What opportunities exist for the City?

- ⊕ The tax abatement program is good and could be used more
- ⊕ The City should look at the New Jersey Rehabilitation Code
- ⊕ The City has been proactive in housing development but could increase its efforts
- ⊕ The City should market itself more
- ⊕ There are opportunities for regional conversations on housing issues
- ⊕ There exists a need for more elderly housing
- ⊕ The City needs to continue to market its lively downtown
- ⊕ Public housing is geared toward self-sufficiency
- ⊕ The City needs to continue to prioritize the use of its federal funds
- ⊕ There are many areas where street improvements would enhance the neighborhood
- ⊕ There is a need for partnerships with housing lender
- ⊕ Commercial centers could be developed in many neighborhoods
- ⊕ The zoning ordinance revisions could incorporate changes to improve housing development

What are the perceived threats to the City?

- ⊕ There is a perception that Roanoke is a place for poor people
- ⊕ There is a difference between the cost of improvements and the cost that is realized at time of sale
- ⊕ There are reduced funding resources from both the state and federal government
- ⊕ VDOT supports sprawl with its road policies
- ⊕ The population is aging
- ⊕ Are there other things that the City should consider to enhance its environment?
- ⊕ Impact fees—would need additional authority from the General Assembly
- ⊕ Special tax districts—would need authority
- ⊕ Development of a river walk